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Daily Report

Soviet Union

FBIS-SOV-91-216
Thursday
7 November 1991

Daily Report
Soviet Union

FBIS-SOV-91-216

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7 November 1991

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

NOTICE TO READERS: The United States Government recognizes the independence of Estonia, Latvia, and Lithuania.

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Arms Control & Disarmament

Volkogonov on 'Single Command' of Nuclear Arms

LD0611145491 Moscow TASS in English 1445 GMT 6 Nov 91

[By TASS correspondent Roman Zadunaiskiy]

[Text] Moscow November 6 TASS—"The signing of the inter-state economic agreement, as well as certain positive steps taken towards each other by the leaders of sovereign states, have kindled hopes that a defence alliance will also be concluded," Colonel-General Dmitry Volkogonov, the Russian president's defence counselor and people's deputy of the Russian Federation, told TASS.

He stressed the impermissibility of violating the nuclear weapons non-proliferation treaty. "All the sovereign republics, where nuclear weapons are deployed, must declare that they do not claim the status of nuclear powers," Volkogonov said. "The single command, headed by the USSR president, must keep all the nuclear weapons under single control," he stressed.

According to Volkogonov, favourable conditions have now appeared for new important initiatives to cardinally reduce the nuclear potential. "President Bush's and President Gorbachev's latest steps in this sphere may lay the beginning for a still more extensive reduction of nuclear weapons," Volkogonov said.

Vienna Talks Termed CSCE 'Decisive Stage'

LD0611144891 Moscow TASS in English 1438 GMT 6 Nov 91

[By TASS correspondent Vladimir Smelov]

[Text] Vienna November 6 TASS—The current session of the negotiations on confidence-building measures and security in Europe ought to be a decisive stage in the elaboration of a new document on confidence-building measures and security on the continent, which is to be submitted to the forthcoming CSCE summit in Helsinki, scheduled for the spring of 1992. This conviction was expressed by many speakers, who took the floor at the plenary meeting of the 38-nation CSCE forum, held today in the Austrian capital.

A substantial foundation has already been laid for further progress. The contours of the future package of measures are becoming increasingly visible. They envisage various restrictions, exchanges of information on temporary deployment of non-regular military formations, expansion of military information, and status of the CSCE communications network. Agreement has already been reached on the last problem, while there is sufficient mutual understanding on other groups of problems, facilitating their complete solution.

The mentioned restrictions contribute most of all to the elaboration of a new set of confidence-building measures, actually envisaging a reform of the armed forces of member-states, primarily the compulsory reduction of their activities to comparatively low levels. So far this refers only to the ground forces, but it is not ruled out that this first step will be a sort of springboard and will eventually allow the restriction of the scope of military activities by other types of conventional armed forces—navies and aviation. As a matter of fact, the Soviet delegation has always advocated and continues to advocate such a restriction.

Worldwide Issues

Further Reportage on World Bank Aid Agreement

Chairman on 'Technical Aid'

LD0611134191 Moscow TASS International Service in Russian 1218 GMT 6 Nov 91

[By TASS diplomatic correspondent Igor Peskov]

[Text] Moscow, 6 Nov (TASS)— Lewis T. Preston, president and chairman of the Executive Directorate of the International Bank for Reconstruction and Development (IBRD), stated that the IBRD intends to lend assistance to the USSR and the sovereign republics in the transition to the market and in integrating into the world economy. He held a news conference today on the completion of his visit to Moscow.

The IBRD president said that he had very useful meetings with Mikhail Gorbachev and Boris Yeltsin, high-ranking officials of a number of republics, and Soviet businessmen and bankers, and he signed agreements on technical cooperation between his bank and the USSR, Russia, Kazakhstan, and Belarus [Belorussia].

He stressed that the technical aid which will include, in particular, providing the Soviet side with the bank's documentation on general economic questions, on granting consultations and developing projects in various spheres of the economy, will be financed from a special $30 million IBRD fund. Part of the resources will go toward hiring around 180 international experts, who over two to three years will work directly in the USSR and the republics, and toward the upkeep of the bank's mission which is opening in Moscow.

In the opinion of the IBRD, Lewis T. Preston noted, the most urgent and important question is that of the bank lending aid in carrying out reforms in the food and processing industry of the USSR. Proceeding from the IBRD's existing experience, the experts will devote particular attention to elaborating measures and recommendations to protect the most vulnerable sections of the country's population in the period of the transition to the market and to liberalise prices. Otherwise, he said, serious social problems could arise.

The IBRD president gave assurances that no political conditions will be set for granting aid to the republics. However, he noted at the same time that the participation of the sovereign republics in the economic union will give them substantial advantages.

Silayev Confers With Chairman

LD0611191191 Moscow TASS International Service in Russian 1720 GMT 6 Nov 91

[By TASS correspondent Oleg Polovko]

[Text] Moscow, 6 Nov (TASS)—Questions concerning Western countries' economic aid to the USSR and interaction between Soviet and international bank structures were considered at a meeting held here today by Ivan Silayev, chairman of the Interrepublican Economic Committeee, and Lewis Preston, president of the International Bank for Reconstruction and Development [IBRD].

Ivan Silayev noted the importance of the agreements on technical cooperation signed this week between the International Bank for Reconstruction and Development and the USSR, Russia, Kazakhstan, and Belorussia. He stressed "the serious nature of the intentions" of the Soviet side to develop relations with the world bank. At the same time, the need to adopt urgent extraordinary measures for the implementation of economic reforms prevents concentrating all efforts on the main sphere, which can slow the implementation of economic reform. In this connection, the USSR attaches great importance to the technical and financial aid of the International Bank for Reconstruction and Development and of other international bank structures.

The sides noted that the radical economic reform in the USSR has without doubt become very urgent. The two sides agreed that the radical economic reforms in the country should be thoroughly prepared. Such preparation can reduce to a minimum the effects of an inevitable fall in the living standard in the immediate future. As Ivan Silayev believes, the population is prepared for any, even the most unpopular, economic measures. However, he expressed concern over the fact that the deep understanding of the acute economic situation in the country may prove to be insufficient and that the personal ambitions of the leadership in individual republics may obstruct the reform. Therefore, Ivan Silayev stated, reform may have a chance for success only if the republics of the Soviet Union manage to coordinate their actions.

Silayev familiarized Lewis Preston with the USSR's situation as far as currency and finance are concerned. In turn, the president of the International Bank for Reconstruction and Development stated that there is a need for the G-7 countries to give economic aid to the Soviet Union and promised to give assistance in gaining a positive outcome in this regard.

Trust Fund Explained

PM0711103191 Moscow ROSSIYSKAYA GAZETA in Russian
6 Nov 91 First Edition p 1

[Sergey Panasenko report: "World Bank: Written Applications!"]

[Text] USSR President Mikhail Gorbachev and World Bank President Lewis Preston yesterday signed a Treaty on Technical Cooperation Between the USSR and the World Bank, thanks to which the USSR has gained access to a $30 million trust fund.

As Russell Cheetham, director of the World Bank's East European section responsible for cooperation with the USSR, stressed at a briefing on the eve of the signing, this money is not intended to be issued in the form of subsidies, credits, and such like or to be used by the USSR for purchasing goods. The trust fund was created to hire and pay for the work of qualified experts called upon to help in establishing a market economy on the former Union's territory.

Russell Cheetham named four spheres of activity for these experts envisaged by the working program for technical cooperation: macroeconomic system reforms (reform of the financial sector, privatization, Western investments, and others), reforms of specific sectors of the economy (transport, agriculture, power engineering, communications), organization of a social protection system, and finally the instruction and training of cadres and the dissemination of information.

For the programs to be "launched" however, the USSR president's signature is not enough for the World Bank. According to Russell Cheetham, in order for the World Bank to start working with one sovereign republic or another it also needs a written statement from its leaders about its desire to do business with the World Bank.

"It does not matter whether this republic has signed an economic agreement with other republics or not," Mr. Cheetham explained, "just as it does not matter on what terms it is with other republics and the center. We are professionals in the organization and support of economic reforms and do not go into political disputes. The procedure exists only to give our staffers and experts a specific status."

Unfortunately, we should recall that a number of authoritative Western experts on the USSR are of the opinion that Western experience is of little use in such a new matter as the transformation of a socialist economy into a capitalist one....

NATO's Strategy Reform Plans Examined

PM0611124191 Moscow KRASNAYA ZVEZDA in Russian
6 Nov 91 First Edition p 5

[Candidate of Military Sciences Colonel S. Pechorov article: "What Will NATO Discuss in Rome"]

[Text] The process of transforming NATO's coalition military strategy, which began almost 18 months ago in compliance with decisions made by the bloc's top organs, is approaching conclusion. The new strategy is due to be officially adopted at the forthcoming Rome session of the NATO Council at head of state and government level.

Several preliminary conclusions can be drawn from the numerous commentaries and opinions carried by the foreign press, as well as from the debates on the new strategy which appeared in the pages of "NATO-related" publications.

First, the decision to amend NATO's basic military-political guidelines was conditioned by the extraordinary events which occurred over the last few years. These events include the transformations in East European countries, Germany's unification, the dissolution of the Warsaw Pact Organization [WPO], the withdrawal of Soviet troops within their national borders, the crisis in the Persian Gulf zone and its consequences, as well as the changes in U.S. strategic postulates and the reduction of U.S. military presence, including the planned cutbacks of U.S. troops in Europe. Major General D. Genschel, deputy chief of NATO Headquarters Planning and Policy Division, has emphasized that "a persistent need has also emerged to bring the bloc's strategy in line with the new realities." This is the prism through which NATO's steps, aimed at ensuring its place within the incipient new European security system, ought to be examined. This applies to the currently debated question of expanding the bloc's composition by admitting several East European states but, if truth be said, people in Brussels are evidently not ready to make a decision on their admission to NATO at present. However, proposals are being put forward to deepen cooperation, including military cooperation, not only with our former WPO allies but also with the Soviet Union. At the same time, while declaring that the USSR "is no longer considered an adversary" in the new conditions, the NATO leadership still proceeds from the fact of "the continued existence of Moscow's highly effective conventional and nuclear potential" and its possible "dispersion." Worries among NATO circles are intensified by the "growing threat" of the increasingly "militarizing Third World," a graphic example of which was provided by recent events in the Persian Gulf zone. All this cannot but be reflected in the bloc's new strategy and its political section in particular.

Second, emphasis in the sphere of military building can be placed on a certain reduction of troops on permanent alert, with more attention given to reserve components and improvements in mobilization systems. Judging by data published in the Western press, the quantitative reductions of allied armed forces will fluctuate between 20 and 25 percent.

The planned structural reorganization of NATO's grouping of troops will obviously affect all European theaters, but primarily the Central European. It will be implemented in conformity with the new concept of "reduced forward presence," whose purpose is, if not to fully replace, at least to substantially supplement the concept of "forward defense" (which has partly lost its importance following the WPO's liquidation and the withdrawal of Soviet troops from East European countries). Proceeding from all this, the bloc's allied armed forces will be made up of three components: The main defense forces, the rapid deployment forces [RDF], and the reinforcement forces.

By the mid-nineties NATO's main defense forces, which will be the basic element of the structure, will comprise 16 divisions united within seven multinational corps, including one under U.S. command. It is planned to have one purely German corps on the former GDR's territory which, according to the accords on Germany's unification, should not be part of the bloc's allied armed forces.

Western press commentaries single out in particular the fact of the proposed "higher level of integration" within the NATO framework, which will be reflected in the further internationalization of the bloc's armed forces. Thus, it is proposed that the army corps should have units and combined units from two or more states, while their leadership will be exercised according to the principle of rotating commanders from among officers and generals of various NATO countries. The multinational aspects will thus affect the operational-tactical link.

The allied RDF are meant to become a fundamentally new element of NATO's armed forces. NATO's leadership intends to ensure their "improved" equipment and high standards of combat ability, combat readiness, and mobility. The RDF, as strategy-makers have repeatedly emphasized, are meant to be used both in the continent of Europe and outside it in the event of crises and local conflicts posing a threat to the North Atlantic alliance's security.

It is no accident that the Western press singles out the fact that "when these forces are formed, clear emphasis will be placed on the bloc's southern flank." The RDF (under British command and with headquarters in Germany) are planned to comprise two British armored tank ("heavy") divisions, an infantry ("light") division based in Britain, and one or two "multinational" divisions from brigades in Germany, Belgium, the Netherlands, and Britain. Active work is being done on the question of forming allied RDF in the South European theater of military operations and including in them units and combined units from Italy, Turkey, and Greece. Regarding the reinforcement troops, their numerical strength will be determined separately in each specific case depending on the nature and scale of the conflict.

Regarding NATO's allied air force, it ought to be emphasized that the certain reduction of the bloc's aviation grouping expected in the near future will not diminish its role and importance in the overall structure of the armed forces. Furthermore, as NATO analysts emphasize, the experience of combat operations by multinational forces in the Persian Gulf zone "revealed" the aviation's exceptional importance in modern warfare and confirmed the correctness of the overall development trend of the bloc's air force: To build up combat potential with relative stability of the numerical strength of aviation groupings in European theaters of military operations.

Changes will also occur in NATO's naval forces. In this process, attention will be given mainly to the formation of naval RDF for effective response to critical situations on any scale and the creation of forward groupings within aircraft carrier task forces, amphibious landing forces, and ships fitted with cruise missiles and ready to move into any region.

Third, the transformation of NATO's coalition military strategy and the forthcoming regrouping of the bloc's men, equipment, and weapons in their turn predetermine the original scenarios for possible combat operations in Europe, which appear every now and again in the pages of NATO's specialized publications. For example, in the event of a crisis developing in some region or another, it is proposed to initially move anti-air defense complexes and other military equipment to the allied state which lies in the conflict zone. In addition to this, NATO's mobile forces will also be sent there for the purpose of immediately involving all bloc countries in the conflict. If the main defense forces in collaboration with the advanced echelon are for some reason unable to cope with the adversary, the newly formed multinational RDF will be moved to the region. The buildup of forces is another possible consequence. It has to be admitted, however, that this and other similar scenarios are obviously geared to a large-scale conflict in Europe, which is no longer likely, rather than to crisis situations which are more likely to develop in the future, like the current armed conflict in Yugoslavia.

Finally, the least changes will obviously occur in the nuclear aspect of NATO strategy. The decision by the bloc's Nuclear Planning Group which met a couple of days ago (a decision subject to final ratification by the forthcoming NATO Council session), emphasizes that the North Atlantic alliance will leave in Europe "only the minimum level of nuclear weapons needed to maintain peace and stability." And it immediately goes on to note that "nuclear arms will play a substantial role in the bloc's global policy for the foreseeable future, insofar as conventional arms are inadequate for the prevention of war." In principle, therefore, the decisions to reduce land-based tactical nuclear systems and to shift the emphasis in "nuclear deterrence" to air-launched nuclear arms will have no impact on the long-established "fundamental" principle of NATO strategy (which is retained in its new version)—the bloc's readiness for first-use of nuclear arms. The traditional political and military linkage between the bloc's tactical nuclear potential and its strategic nuclear forces will also be retained.

The general outline of NATO's new coalition military strategy is clear and, on the whole, reflects the attempts by the bloc's military-political leadership to adapt it to the new realities. At the same time, many questions still remain whose answers will hardly be reflected in the accelerated updating of strategy. The following are among these questions: Is it lawful to use the bloc's RDF beyond the borders of NATO's zone of responsibility, seeing that this is officially prohibited by the 1949 Washington Treaty which, as the bloc's leaders themselves have repeatedly emphasized, "is not subject to amendment?" Does NATO have the right to go beyond the framework of applying only political means to settle European conflicts like the one in Yugoslavia? Is the recent German-French initiative on the creation of a European army the beginning of NATO's end, and so on? Briefly speaking, the formal ratification of NATO's new strategy will evidently mark the beginning of a relatively lengthy period of putting the finishing touches to it and even amending it.

Elective Approach to Europe Security Assessed

PM0611153191 Moscow IZVESTIYA in Russian 4 Nov 91 Union Edition p 3

[Correspondent F. Lukyanov report: "Does East Europe Need NATO's 'Umbrella'?"]

[Text] Budapest—The last few weeks and days before NATO's November summit meeting in Rome took place amid increased activity from the "Visegrad trio"—Hungary, Poland, and Czechoslovakia—in contacts with various structures of the North Atlantic alliance. Among these were a visit to Brussels and to NATO Headquarters by Hungarian Prime Minister J. Antall and a return visit to Budapest by General J. Galvin, NATO supreme allied commander, Europe.

The latest phase in the "Visegrad trio's" approaches to NATO clearly emerged following the Krakow summit, where J. Antall, L. Walesa, and V. Havel pointed particularly to the need to establish qualitatively new relations with NATO. In other words, the "trio" said that NATO should open its "security umbrella" over the three East European countries. So the three leaders virtually made an official application if not for full then at least associate membership of NATO or, if worst came to worst, for "special relations." Incidentally, during his visit to Brussels, the Hungarian premier said that owing to the "trio's" special contributions to the changes in Europe, Hungary, Poland, and Czechoslovakia can count on a special approach from NATO....

The main thing that has urgently impelled the "trio" to seek NATO's patronage today is the vacuum formed in East Europe following the dissolution of the Warsaw Pact. According to J. Antall himself, East Europe is most threatened from the emergence of armies without political control, the most vivid example of this being the Yugoslav crisis.

The three East European countries are undoubtedly seriously alarmed by the disintegration processes in the Soviet Union and some politicians' statements on nuclear weapons and setting up new armies on the territory of what was the USSR.

However, everything indicates that people in Brussels and Washington still believe that extending NATO's "umbrella" to the "Visegrad trio," which directly border on Russia, Belarus [Belorussia], and the Ukraine, not only will not increase security in the region, but will, on the contrary, create an additional source of constant tension. In addition, it will divide all East Europe into two camps: However, not only Hungary, Poland, and Czechoslovakia but virtually all countries in East Europe, including Romania, Bulgaria, and the republics of what was the Union, are advocating closer cooperation with NATO in creating a new pan-European security system with no divisions into "clean" and "unclean." To put it frankly, other East European capitals see the Hungarian, Polish, and Czechoslovak claim for some kind of special status for their contribution to destroying the Warsaw Pact as an attempt to split the unified pan-European process of integration, in the security sphere and elsewhere.

For their part both Brussels and Washington want balanced cooperation with all countries in this region, including the USSR and the republics of the former Union, in ensuring the security of East Europe instead of the elective approach for which the "trio" are pressing. M. Gorbachev's meeting with F. Mitterrand showed that the French president's idea of a European confederation is still topical.

United States & Canada

Atwood, Lobov Focus on Military Conversion

PM0711102191 Moscow KRASNAYA ZVEZDA in Russian 31 Oct 91 Evening Edition p 3

[TASS report under the general heading "Official Chronicle"]

[Text] Moscow, 30 October—A meeting took place in Moscow today between Army General Vladimir Lobov, chief of the USSR Armed Forces General Staff, and Donald Atwood, U.S. deputy secretary of defense, who is in the Soviet Union.

"During the talk, we discussed problems relating to the conversion of military production," Army General Lobov told a TASS correspondent in an interview after the meeting. In his opinion these problems are not simple, because they are closely tied up with the disarmament negotiation process, the elaboration of the new Soviet military doctrine, the military reform, the transformation of the USSR Armed Forces, and the demilitarization of our society.

According to the chief of the General Staff, they examined possibilities for the exchange of experience in organizing conversion in the USSR and the United States and the joint quest for technological and other solutions in switching military production to peaceful manufacturing.

According to General Lobov, the sides reached an accord for Soviet representatives to visit U.S. enterprises undergoing conversion in the near future to study U.S. experience.

Bush: No 'Final Decision' on Soviet Aid

LD0711000191 Moscow TASS in English 1048 GMT 6 Nov 91

[By TASS correspondent Andrey Fedyashin]

[Text] Washington November 6 TASS—U.S. President George Bush implied on Tuesday [5 November] that the administration had not adopted a final decision so far on aid to the Soviet Union. When photographed together with Benin President Nicephore Soglo, Bush hinted that a corresponding announcement would be made shortly, adding that much depended on budget problems now confronting the United States.

Asked how close the administration was to the adoption of such a decision, Bush said the matter had yet to be discussed. Immediately after his meeting with Soglo, Bush began consultations with leading presidential advisers on aid to the USSR.

Bush said the U.S. did not want anybody to suffer from hunger, that the United States always tried to provide aid, when people were really in need, but America's present potential was limited by its own budget problems. He said the U.S. should wait and see what happened in the Soviet Union.

Bush also noted that the problem of credits to the Soviet Union should be discussed by "technical experts", since it was linked not only with the current situation in the Soviet Union, but also with credits to all the central banks. White House officials told TASS that the President meant republican banks for foreign trade transactions.

The U.S. President will leave for Rome on November 6, where he will attend the NATO Council session. It is believed in Washington that the package of aid measures to the USSR might be announced within the next few days.

Secretary Cheney Cited on U.S. Military Cuts

PM0711104991 Moscow IZVESTIYA in Russian 6 Nov 91 Union Edition p 1

[Unattributed report from the "IZVESTIYA, TASS, INTERFAX, REUTER" roundup]

[Text] The changing situation in the Soviet Union and East Europe has resulted in the disappearance of the premises, which for more than 40 years, served as the basis for U.S. defense strategy, U.S. Defense Secretary Cheney stated during a speech in Washington at a conference of representatives of western hemisphere armed forces commands.

As a result, the United States is taking measures to reduce its defense potential without any detriment to its own security. According to existing plans, the U.S. Armed Forces will be reduced by approximately 25 percent. Currently, more than 300 U.S. military installations around the world are also being scrapped. Between 1985 and 1996, the Pentagon budget will have been cut by more than a third.

KGB, CIA To Fight Against Crime, Drugs

PM0711112391 Moscow KOMSOMOLSKAYA PRAVDA in Russian 6 Nov 91 p 1

[Report by I. Kadulin: "Lubyanka-Langley: Handshake Across the Ocean"]

[Text] A KGB delegation led by Fedor Myasnikov, head of Soviet counterintelligence, chief of the Second Main Directorate, and deputy chairman of the KGB, visited the United States 26 October through 2 November at the invitation of the CIA. KGB personnel entered the CIA's Langley headquarters officially (that is, by invitation) for the first time 29 October.

According to Myasnikov, the idea of holding these meetings came from the CIA, and last July and August it sent a delegation to Moscow. During the Moscow meeting, representatives of the two special services discussed the possibility of cooperation, and in Washington they agreed to cooperate in such areas as the fight against drugs, terrorism, and organized crime.

"We had no particular difficulty in finding a common professional language, because we turned out to be similar in many respects. We even joke about the same things," Myasnikov said. "Although not all the talks went smoothly, we were able to reach agreement on everything we planned. We will now be able to contact one another directly, bypassing diplomatic channels, and settle common problems."

The intelligence officers did not notice any particular differences between Langley and Lubyanka, if you do not count the freer atmosphere and the absence of pictures of U.S. leaders in the offices.

Speculation on CIA Future Under Gates

92UF0152A Moscow NEDELYA in Russian No 40 30 Sep-6 Oct 91 p 14

[Article by IZVESTIYA correspondent Aleksandr Shalnev: "Perestroyka in the CIA—What Are Things Like for Others?"]

[Text] **U.S. reporters are great vipers, for all that! Here is a quotation from TIME: "But life could turn out far worse for the Central Intelligence Agency. But incensed crowds are not gathering at its headquarters in Langley, and no one is attempting to pull down a statue of William Donovan, nicknamed 'Wild Bill,' the founder of the CIA." Not gathering, not attempting—this is true, although I have to mention that, as much as one might so desire, this is very difficult to do. The approaches to CIA Headquarters do not afford such freedom of action as Lubyanskaya Square. You would not make your way through.**

Of course, life for the CIA is not now as bad as for the KGB, measured by our realities, but measured by things American it will be clear that the Central Intelligence Agency has entered upon hard times.

There are no demonstrations, no monuments are being demolished, and there are no pungent expository articles containing the confessions of retired CIA personnel, but demands are being heard for the elimination of the CIA or an appreciable reduction in its budget and a most substantial reorganization.

The reasons for the demands are partly the same as those that guided George Bush when he recently announced his disarmament initiatives: It is no longer the same Soviet Union that we need to continue spending billions and billions of dollars in an intelligence struggle with it. The threat to the national security of the United States emanates not from Moscow, but from the strong trade, economic, and scientific-technical pressure from Japan and every conceivable little Third World Caesar, armed to the teeth and totally unpredictable in his policy.

But like Bush who could have displayed but did not, an even more radical initiative—sharply limiting, for example, the program for B-2 stealth bombers or sea-launched strategic missiles—so also the U.S. intelligence community, joining forces with dozens of departments—the CIA, the National Security Agency, the Defense Intelligence Agency and so forth—is not prepared and does not want to completely cross off its lists the one who has been called the "main enemy."

The visit by Secretary of State James Baker to Lubyanka for a meeting with KGB Chairman Vadim Bakatin is, of course, something from the realm of fantasy. But I am not sure our foreign minister, Boris Pankin, has received an invitation to visit Langley, taking with him a strong group of reporters and cameramen. Had such an invitation been issued, he would surely have gone. There would have been time: The minister has now, for all that, spent almost two weeks in the United States.

And, then: How can the CIA overlook its main, albeit former, enemy if the United States has to keep a sharp lookout even when it comes to those who are considered close allies. Literally a couple of weeks ago, Pierre Marion, former leader of French intelligence, acknowledged in a television interview that his department spied—and, it has to be assumed, continues to spy—on

U.S. corporations, stealing secrets from IBM, Texas Instruments, and other of the U.S.' industrial giants.

It is extremely unlikely that Senator Patrick Moynihan's idea, which proposes that the CIA be closed down, will be supported and implemented, but there will have to be a reorganization of Central Intelligence. By all accounts, Robert Gates, the new director of the CIA who is also nominally in charge of all the other intelligence departments, will begin his activity with this.

When this report was being prepared, the Senate Intelligence Committee had only just resumed hearings on Gates' confirmation as director of Central Intelligence. But only something unusually outrageous could bar the way for Gates, for whom President George Bush is lobbying most actively.

A significant detail: Everyone, supporters and opponents of Gates, ranks one of the new CIA director's main merits as the fact that he is a Soviet specialist by education and specialization. In the times in which we are living, supporters and opponents say, Gates' training as a Sovietologist is exceptionally important. Ray Cline, former deputy director of the CIA, told Gates: "You are exceptionally fortunate. In the present situation a Soviet expert is just what is needed in the director's office." Gates, Cline added, was not about to argue.

There are Soviet specialists and Soviet specialists, just as there are U.S. specialists and U.S. specialists, when it comes to that. One and the same event enjoys directly opposite evaluations. Gates is of the category of Sovietologists who, crudely speaking, has never seen anything good in anything that has happened in our country. He has landed in trouble for this—publicly and repeatedly. First, George Shultz, and then James Baker, who replaced Shultz as secretary of state, gave Gates, to speak in our diplomatic language, a strict dressing-down for his speeches containing doubts as to the dependability and longevity of the restructuring processes in the USSR.

An example in this same category: At negotiations in the Kremlin with a U.S. delegation which included Gates, Mikhail Gorbachev asked to be shown this person especially. Our leader explained his request approximately this way: I want to see the person who, together with his sympathizers, aims at undermining perestroyka.

Gates himself is inclined to explain this "quirk" by his natural pessimism, saying—without overly hinting at a joke—that "whenever I see flowers, I start to think of a funeral."

Whether because of his nature or not, Gates was, if one goes into it a little more closely, correct: The August events showed that our country was not that far from a return to the times, the likelihood of whose recurrence he had often warned, receiving for this one reprimand after another.

Opponents of the new director of the CIA put down to his discredit his pessimism and disbelief in the changes in the Soviet Union and express doubt that Gates will be totally objective in the information with which his department supplies the United States' top political leadership. Our doubts, his opponents say, are justified: We have information confirming that when Gates was No. 2 in the CIA—this was in Reagan's time—he doctored intelligence analyses and briefings which went to the White House and other high departments to fit his sentiments, and imparted to them a content which would be, from his viewpoint, entirely satisfactory to the top leadership.

I would recall that the top leadership in those years was Reagan, whose vision of the Soviet Union is accommodated in two words—"evil empire." Whatever did not correspond to these two words was expunged from the intelligence summaries.

Gates has to be given his due: He has acknowledged at the Senate confirmation hearings the "dubious value" of a considerable amount of the information that went to the country's political leadership. It cannot be ruled out that Gates was simply being crafty, remembering a most well-known rule that has been repeatedly put to the test successfully on Capitol Hill: an acknowledgment of mistakes and repentance soften senators' hearts.

According to Senator David Boren, chairman of the Intelligence Committee, the part of Gates' testimony in which he acknowledged past errors and sought forgiveness for them was the "strongest".

But this acknowledgment by the director of the CIA presupposes that he will now be required to be guided in his activity solely by the principle of objectivity and a renunciation of any attempts to doctor intelligence summaries to fit the mood prevailing in the highest echelons of political power. Any deviation from this rule would threaten him with potentially the most serious trouble: The intelligence committees—Senate and House—would undoubtedly begin to display increased criticism toward the product of the department in Langley.

Can the CIA restructure itself? Aside from general and, therefore, very nebulous ideas, Gates himself has yet to say anything about how he sees the CIA and the intelligence community as a whole. It remains as yet, therefore, merely to build assumptions. It cannot be ruled out that the ranks of CIA employees—they number approximately 20,000—will be compressed somewhat, at the expense by all accounts of counterintelligence primarily.

It is doubtful, however, that there will be serious cuts in overseas agents. Gates is known to be a very active supporter of the idea of the superiority of "human intelligence" to "electronic intelligence," that is, the superiority of agents working "in the field" to spy satellites. As former CIA employee George Carver put it, expressing quite accurately the opinion of Gates himself, "you cannot make out the mood of people talking in the bazaar from a satellite operating at an altitude of 100 miles."

And specialists see as the main reason why they were unable to make out Saddam Husayn's intentions toward Kuwait in good time precisely the fact that the intelligence departments were unable to learn the "mood of the bazaar."

On the other hand, in November 1982 immediately following the death of Brezhnev, the CIA predicted the leader would be Andropov, and somewhat later, Gorbachev. The forecast was contained in a memo which Bill Casey, director of the CIA at that time, sent President Reagan.

Excellent sources of information? It cannot be ruled out. Although simple observation cannot be ruled out either. Dusko Doder, who once worked in Moscow as a correspondent for THE WASHINGTON POST, beat the CIA in reporting Andropov's death. He simply figured it out by standing for several hours in Staraya Square in front of the Central Committee building and observing the unusual flurry of cars at that late hour on a night in February. Dusko told me later the CIA had made known to him its irritation at his pushiness.

I recall, incidentally, that we were talking about this at a table at which two CIA employees were also sitting. It was such that they had appeared to me when they took a seat near us in the lobby of a conference held several years ago in Austin, Texas. "Hello, we are from the CIA," they said quite simply and gave their names, which I do not remember inasmuch as I immediately became somewhat perturbed.

It was only subsequently that I thought: What was there to be perturbed about? The CIA does, in fact, operate comparatively openly. Not, naturally, in the sense that secret operations are carried out before the eyes of a respectable audience. But, for example, attempts to recruit students are made perfectly openly. Announcements are made to the effect that on such-and-such a day, at such-and-such an hour you can come to a stated venue and learn what you could expect if you went to work in the CIA. We need, the notices usually say, smart, expert, and educated people. But with education there is a problem. The essence of it, in the words of Vasiliy Ivanovich Chapayev, is that "people do not know languages." The CIA, for example, had no employees in Iraq who spoke Arabic. Otherwise, Husayn's invasion of Iraq could have been predicted.

The Iraq situation was, as far as can be gleaned from press reports, no exception. The CIA is experiencing a shortage of "career linguists" in many other countries as well. It is not fortuitous that the Senate is discussing in earnest the question of the appropriation of approximately $180 million, which would make it possible to expand the program of foreign language training in American colleges, programs geared to the possibility of the subsequent use of graduates in intelligence work.

Speaking of the changes which, by all accounts, will be inevitable in the CIA with the advent of Gates, specialists are also mentioning the possibility of a serious revision of the lists of agents. The reason for this is the fact that, as a study of the files seized in the Stasi following the collapse of the GDR has shown, many of the agents who had been recruited by the Americans were "doubles," that is, they worked for both sides. The same thing is also happening with Cuban agents, according to NEWSWEEK.

But all this is as yet merely conjecture. It is clear only that, having been in existence for 44 years, the CIA is, most likely, entering the most critical phase of its existence. Although the statue of "Wild Bill" does not have to be pulled down for this....

Northeast Asia

Kuril Troop Withdrawal To Start 'This Year'

LD0611214291 Moscow Radio Rossii Network in Russian 1800 GMT 6 Nov 91

[Text] The withdrawal of Soviet troops stationed on the islands of the Kuril ridge is to start already this year. This was stated by Colonel General Viktor Novozhilov, commander of the troops of the Far Eastern Military District, in an interview given to PRIAMURSKIYE VEDOMOSTI [MARITIME GAZETTE].

According to him, there is one division in the Kurils. The soldiers and officers from it will be sent to other garrisons in the okrug.

Japanese Group for Return of Kurils To Visit

LD0611173091 Moscow TASS International Service in Russian 0239 GMT 6 Nov 91

[By TASS correspondent Vyacheslav Bantin]

[Excerpts] Tokyo, 6 Nov (TASS)— A delegation from the "Federation for the Return of the Northern Territories" on the northern Japanese island of Hokkaido will be departing on 17 November for a visit to the USSR. Kazuichi Matsuzaki [name as received], the vice chairman of the federation, told a TASS correspondent today that during the visit, representatives of the movement for the handover of the four islands in the Soviet Kuril ridge to Tokyo's jurisdiction are visiting Moscow and St. Petersburg, where they will be meeting representatives of the Russian Government and the municipal leadership of the Russian Soviet Federated Socialist Republic's two major centers. [passage omitted]

The 14 members of the federation delegation will be led by Takahiro Yokomichi, governor of Hokkaido Prefecture, and will include representatives of the self-management bodies of Hokkaido Prefecture, the town of Sapporo, a number of public organizations, and the Hokkaido Association of Former Residents of the "Northern Territories" of Japanese Nationality. The delegation to Russia will be accompanied by a group of

Japanese journalists representing various publications and radio and television broadcasting companies in Hokkaido.

Kazuichi Matsuzaki noted that it was initially planned to give the delegation the official title of the "Mission for the Return of the Northern Territories," but it was decided to abandon that, taking into account the negative attitudes on Sakhalin and in a number of the Far Eastern areas of Russia to plans for the handover of the northern territories to Japan. The official title of the delegation is now the "Mission for Dialogue on Reaching Understanding on the Problem of the Northern Territories."

Near East & South Asia

Afghan Rebel Delegation To Visit Moscow

LD0611224391 Moscow TASS in English 2220 GMT 6 Nov 91

[By TASS correspondent Vladislav Legantsov]

[Text] Islamabad November 7 TASS—A delegation from the Afghan armed opposition based in Pakistan plans to arrive in Moscow at the invitation of the Soviet side on November 10, an official spokesman for Pakistan's Foreign Ministry told a news conference here on Wednesday [6 November]. The delegation will leave for the Soviet Union on November 8 with a stop-over in Saudi Arabia.

The delegation, consisting of eleven people, will be led by the interim government's foreign minister Burhanuddin Rabbani, the leader of the Islamic Society of Afghanistan.

The delegation will not include members of the fundamentalist groups 'Abdul Rasul Sayyaf and Yunis Khalis. The participation of representatives of the largest opposition force—the Islamic Party of Afghanistan led by Golbuddin Hekmatyar, is now being considered.

The delegation is scheduled to meet the foreign ministers of the USSR and Russia and other Soviet Government officials.

Hekmatyar Group Unrepresented

OW0611180491 Moscow INTERFAX in English 1629 GMT 6 Nov 91

["Diplomatic Panorma" feature by diplomatic correspondents Mikhail Mayorov and Igor Porshnev; transmitted via KYODO]

[Text] A mujahidin delegation led by Burhanuddin Rabbani, head of the Islamic Society of Afghanistan, is arriving in Moscow on Sunday [10 November]. Though there is no official confirmation on this score yet, the USSR Foreign Ministry has indirect information according to which the first visit to the USSR by spokesmen for the armed Afghan opposition scheduled at first for November 3 will begin on November 10.

According to reports the USSR Foreign Ministry received from different sources, the delay was caused by discord in the opposition circles. Evidently B. Rabbani, the leader of the Islamic Party of Afghanistan Golbuddin Hekmatyar and opposition units based in Iran failed to reach an agreement in regard to issues connected with talks in Moscow. Witness the fact that the list of persons intending to go to Moscow to meet with the USSR Foreign Minister B. Pankin and with his Russian counterpart A. Kozyrev presented by the mujahidin does not include a spokesman for G. Hekmatyar's grouping.

Official on Attempt Against Ex-Afghan King

LD0711120491 Moscow TASS International Service in Russian 1802 GMT 6 Nov 91

[By TASS diplomatic correspondent Sergey Staroselskiy]

[Text] Moscow, 6 Nov (TASS)—Irrespective of who made the attempt in Rome on the life of Zaher Shah, the former king of Afghanistan, and what the motives were, this crime causes justified indignation, an official representative of the USSR Ministry of Foreign Affairs stated today.

In an interview with a TASS correspondent, he noted that Zaher Shah is well known in Afghanistan and the USSR as a man who did a great deal for the development of Afghanistan and who made a considerable contribution to setting up good-neighborly Soviet- Afghan relations. Even as an emigre, the Ministry of Foreign Affairs representative noted, Zaher Shah spoke in favor of settling intra-Afghan disagreements by peaceful means and tried to facilitate a political settlement in his motherland.

One cannot fail to be put on one's guard by the fact that the attempt on the former king was made at the very moment when changes designed to break the impasse in the Afghan conflict had taken shape. The Soviet Union condemns the terrorist act against Zaher Shah and wishes him the speediest recovery, the Ministry of Foreign Affairs representative stressed.

Prospects for Afghan Compromises Assessed

92UF0158A Moscow PRAVDA in Russian 1 Nov 91 p 5

[Article by PRAVDA special correspondent V. Pritula and IAN correspondent A. Pravov: "Negotiations on the Horizon: In Kabul They Await With Hope"]

[Text] Kabul, 31 October—**After the recent alarms, an unusual calm now hangs over Kabul. The city at noon seems to be asleep, with just a few people dawdling about as they do in the East. There is a sense that the water in the irrigation ditches is flowing more quickly than life on the streets of Kabul. Nevertheless, armed detachments of**

the opposition continue their intensive military actions. These are taking place in various parts of the country. Large opposition formations have extended out to Gardeyz, Jalalabad, and Qalat. The airports at Jalalabad, Bagram, and Shindand are still under fire.

It has been learned from informed sources that a large combat grouping of the Islamic Party of Afghanistan that had tried to concentrate forces for an attack on Kabul from the north was recently dispersed. It is being claimed that the grouping numbered several thousand fighters.

Government troops are constantly beating off attempts by the mujahidin to attack regions in the immediate vicinity of the power station at Naghlu. This is the main power station supplying energy to Kabul. In the city itself a thermal power station is operating in the Kheyr Khaneh area, but its capacity can scarcely supply the industrial enterprises. From time to time the opposition fighters blow up the supports for the electricity transmission lines in the region of Sarowbi, and then the city is plunged into darkness. In recent weeks this has been occurring more often.

The Afghan military people think that this winter will not offer any respite in the war. Field commanders of the mujahidin are not planning to withdraw their detachments to Pakistan for the winter as they have done in the past, but will keep them at bases hastily set up around Gardeyz, Jalalabad, and Kabul. This is connected with the fact that the opposition needs, as it needs air, even the smallest military success. It is clear to everyone that a period of negotiation may soon start..

The idea of negotiation is literally taking off. In any event, many here are talking optimistically about intensifying diplomatic activity aimed at finding a peaceful settlement in the country. And although the opposition continues to claim that it will in no circumstances sit down at the same table with representatives of the Kabul regime, there are hopes that these negotiations will take place.

It has become known, for example, that a high-level delegation from Kabul has met in Geneva with representatives of one of the "moderate" groupings. Rumors are circulating in Kabul that important questions connected with the start of a dialogue were resolved at that meeting.

It should be said that in Kabul rumors are more likely to be believed than the press, considering that the latter is purely a propaganda tool. At the market in the center of Kabul much of the news is circulated and discussed long before it is officially announced on television or printed in the newspapers.

The upcoming trip to Moscow by a delegation of the Afghan mujahidin from Peshawar is regarded here as another important diplomatic move. Although undoubtedly there is some disillusionment stemming from the fact that it is constantly being postponed. The members of the delegation are hardly getting any kind of general "mandate for negotiation." Moreover, three of the so-called extremist groupings—those of Hekmatyar, Khalis, and Sayyaf—have totally rejected any kind of dialogue with Moscow.

The leader of the Islamic Society of Afghanistan, Rabbani, has just been named the new head of the above-mentioned delegation. His grouping includes mainly Tajik formations, and up to now it has been considered that Rabbani's attention has been focused mainly on northern provinces of Afghanistan, and that he is little concerned about the Pushtun regions.

Most observers are inclined to think that Rabbani will go to the USSR with inflexible conditions, and they are saying that it is premature to hope for any kind of compromise. In principle, however, settlement of the Afghan question can today be based only on compromises; otherwise, the jihad in Afghanistan really will continue, as the gallows humor here has it, down to the last Afghan.

Today the main obstacle on the road to compromise is the position of the "irreconcilables" who have announced that they will fight until they establish their own power in Kabul. The moderate groupings, which are today moving to establish contact with both Kabul and Moscow, have recognized that there can be no military solution to the problem. The more so since if the Hekmatyar grouping, the most numerous and best-armed grouping, comes to power, this could be for them a worse scenario than the Najibollah regime. Hekmatyar is also unacceptable for the United States, which is now trying to find some middle-of-the-road resolution without allowing the fundamentalists to gain power. The Iranian syndrome is still too strong in the consciousness of the Americans. Of course, the versions of the solutions proposed by Moscow and Washington do not coincide in everything. But it is important that even in the United States they are beginning to understand the impossibility of the immediate withdrawal of the present Kabul regime from the political scene. One can endlessly draw up accounts of past insults, but a power vacuum under present conditions will obviously signify chaos and a continuation, most likely even more cruel, of the war between the groupings of the mujahidin themselves.

Political resolutions based on compromise are needed. Versions similar to those in Angola or Cambodia are possible. However, it is undoubtedly the Afghans themselves who should resolve the problem of a peaceful settlement. It is they who will choose who will be in power in their country. And the end of this endless war will also depend first and foremost on them.

Israeli, Iraqi Barriers to Mideast Peace Noted

LD0611204891 Moscow Radio Moscow in Arabic 1700 GMT 5 Nov 91

[Unattributed commentary]

[Excerpts] The results of the first stage of the Madrid conference and the commencement of Israeli-Arab talks are still the focus of attention of the whole world. Opinions about both events are generally positive. [passage omitted]

However, unfortunately, realities in the region strongly contradict these cautiously optimistic statements. Today operations which could interrupt for a long time, or even completely frustrate, the peace process that has begun in Madrid are advancing to the forefront. Israel has again become the main instigator of negative events in the Middle East, as it is continuing its extremist policies toward its Arab neighbors. Here are some examples. Before the opening of the peace process, the foundation stone was laid for new Jewish settlements on the West Bank, and yesterday the construction of another Jewish settlement began, in an exhibitionist manner, in the Golan Heights. [passage omitted]

There is still another hot spot in the Middle East. It is Iraq. In the north and south of Iraq, Saddam Husayn's regime continues its attempts to oppress by violent means the uprisings of the Kurds and the Shiites. Iraqi forces have put Kurdistan under siege, isolating it from the outside world. Kurdistan's lines of supply for food and medicine have been blocked. Sources opposing Saddam have reported that the forces of the regime have heavily shelled the population of the city of Khanaqin, on the border with Iran. In the town of Salman Pak, which is south of Baghdad, the regime is carrying out a large scale search and storm operation, in an attempt to find those who attacked the local headquarters of the Saddamist intelligence authorities.

It has been previously broadcast that officers in the Iraqi Army have been executed by firing squad on charges of participating in a conspiracy against the regime.

At the same time, Baghdad continues to ignore many of the demands of the UN Security Council resolutions, which specify the removal of all the effects of the war in the Gulf.

It is clear that the events in and around Iraq are also poisoning the atmosphere of proceeding with the peace process in the Middle East.

East Europe

KGB Attempt To Stage Bulgarian Coup Denied

AU0411205591 Sofia TRUD in Bulgarian
28 Oct 91 pp 1, 3

[Interview with KGB Spokesman Aleksey Zakharov by TRUD reporter Voyko Tanev in Moscow; date not given: "Conversation at Dzerzhinskiy's Desk"]

[Excerpt] Although without the "Iron" Feliks, which was carried away by the August storm, the huge KGB complex on Lubyanka Square has not lost much of its sinister aura. Aleksey Zakharov, one of the KGB's spokesmen and my host, understands this and tries to help me:

This is the office of all the chiefs of our special services from Feliks Dzerzhinskiy to Andropov, he says smiling, and adds: I think this is a proper place for our conversation.

[Tanev] Mr. Zakharov, during the private face to face talk between Presidents Zhelev and Yeltsin, they discussed the issue of handing over to Bulgaria KGB archive files related to dramatic events in our country's most recent history. Do you think that the KGB will open some of its secrets to Bulgarian eyes?

[Zakharov] I think that the archives will be opened in such a manner.

[Tanev] What will the specific mechanisms be?

[Zakharov] Practice in such cases envisions the establishment of a bilateral commission. The principle that guides the opening of such files is how dangerous this will be for the persons involved.

[Tanev] The issue of opening the files of former State Security employees is extraordinarily painful in Bulgaria. Frequently, our newspapers carry "evidence" on the existence of secret KGB storehouses, where many personal files of former special services employees are guarded. Concern is expressed that they could be opened with a view to discrediting various political personalities.

[Zakharov] Those are unfounded claims. The special services of Bulgaria and the USSR had a cooperation agreement. They could receive from each other any information that interested them. Therefore it was not necessary for us to build up a Bulgarian archive. This was the task of the Bulgarians. We merely utilized their information sources.

[Tanev] During the Moscow coup people in Bulgaria seriously spoke about specific attempts by the USSR Embassy in Sofia to organize a minicoup in Bulgaria with the participation of your employees....

[Zakharov] Before answering your specific question let me say that the attempted coup can precisely be described as a "palace" coup. It had no relation to the country's foreign relations. According to confirmed information, both ours and that revealed by the special investigation, only a very limited circle of leaders was privy to organizing and conducting the coup. Let me say as an example that even leaders of KGB subunits had no information. [passage omitted]

Romanian Officials Hail Oct Anniversary

LD0711001191 Moscow TASS in English 1510 GMT
6 Nov 91

[By TASS correspondent Dmitriy Dyakov]

[Text] Bucharest November 6 TASS—Romanian President Ion Iliescu has addressed a congratulation message to President Mikhail Gorbachev in connection with the Soviet Union's national holiday. It expresses the conviction that the common problems, now confronting the two countries, should make for the further promotion of mutually beneficial cooperation between Romania and the USSR in the interests of peace and security on the European continent and throughout the world, the ROMPRES news agency reports.

The Romanian prime minister Theodor Stolojan also addressed a congratulation message to Chairman of the Inter-republican Economic Committee Ivan Silayev.

The telegram sent by Romanian Foreign Minister Adrian Nastase to his Soviet counterpart Boris Pankin stresses that the Romanian side "is looking forward with interest to his visit to Bucharest, hoping that it will contribute to the continuation of the dialogue to promote friendly and fruitful relations between the two states".

West Europe

'New' German Steps To Extradite Honecker

LD0611205291 Moscow TASS in English 2029 GMT 6 Nov 91

[By TASS correspondent Aleksandr Semenov]

[Text] Bonn November 6 TASS—The German Government has taken new steps to gain the extradition of former East German leader Erich Honecker, currently staying in the Soviet Union.

German Ambassador to the USSR Klaus Blech made corresponding demarches at the Soviet and Russian Foreign Ministries in Moscow, as well as at the Russian Ministry of Justice, a spokesman for the German Foreign Ministry said in Bonn today.

Negotiations are underway to make the same demarche at the Soviet Ministry of Justice, the spokesman said.

The German Government, thus, intends to escape possible disputes on competence between the Russian and Union authorities, the DPA news agency notes.

Finnish Treaty Concluded 'on Behalf' of Union

LD0611183291 Moscow TASS International Service in Russian 1755 GMT 6 Nov 91

[By TASS correspondent Aleksandr Surikov]

[Excerpts] Helsinki, 5 Nov (TASS)—The USSR and Finland have agreed in advance on a draft bilateral treaty of good-neighborliness and cooperation that will replace the treaty of friendship, cooperation, and mutual assistance that has been in force between the two countries since 1948. The new treaty will, as was declared today at a Helsinki news conference, be submitted for initialling, and subequently for signing by the sides, in the nearest future. The text of it was agreed on following consultations between representatives of the foreign policy departments of the USSR and Finland, the second round of which ended today in the Finnish capital. [passage omitted]

Bearing in mind the unfinished nature of the process of the USSR's transformation as a state, journalists were, naturally, interested by the question of who would be signing the new treaty. The head of the Soviet delegation, Yuriy Deryabin, deputy minister of foreign affairs of the USSR, stated that the mandate to hold the talks came from the president and the USSR State Council—in other words, it included the Russian Federation. Therefore, he stressed, if the treaty is signed, then this will be done on behalf of the USSR. The Soviet Union, namely that state which will continue to exist, will be responsible for fulfilling it. [passage omitted]

Baltic Fleet Commander Denies Submarine Threat

PM0611122391 Moscow KRASNAYA ZVEZDA in Russian 1 Nov 91 Second Edition p 3

[Report by Captain Second Class V. Gromak under "Direct Line" rubric: "Admiral V. Yegorov Sends Article to Swedish Paper"]

[Text] There has been an increasing number of reports in the Swedish press of late that the Soviet Navy has been conducting secret operations against peaceful, neutral Sweden for 50 years.

"If all we were talking about was deluded amateurs," Baltic Fleet Commander Adm. V. Yegorov said, "then, as a professional sailor, I would still be relatively calm about it. But the topic is also sometimes addressed by people who are regarded as competent experts, whom many people tend to trust. And that is dangerous, since it could propel public opinion in the wrong direction and have an adverse effect on policy, including military policy."

That is why the admiral sent to the Swedish paper AFTONBLADET his article "Swedish Submarines Off Russian Coast: 'Soviet Submarine Threat to Sweden' Is That Kind of Nonsense."

Yegorov states: We did not threaten, are not threatening, and do not intend to threaten Sweden. As for the incident off Karlskrona in October 1981, in the Baltic Fleet commander's opinion it was a most unfortunate navigational incident resulting from an accidental and exceedingly rare combination of circumstances. The first was equipment failure (direction finder malfunction). The second was the extreme carelessness and professional incompetence of the ship's navigator and commander.

"An open dialogue about all problems and difficulties—this is the essential key to trust at the moment, in my view. Let us use this key more often. Let us trust one another," the admiral concludes his article.

Political & Social

Revolutionary Day Activities Recounted

Moscow Demonstrations Detailed

LD0611230291 Moscow TASS in English 2249 GMT 6 Nov 91

[By TASS correspondent Igor Deyev]

[Text] Moscow November 7 TASS—An official confirmation of plans to mark the 74th anniversary of October 1917 revolution in Moscow this year has been made at long last.

Until recently this was a major national festival all over the Soviet Union.

Two demonstrations will be held in Moscow, as different as the two poles. Mayor Gavriil Popov confirmed the plan at a news conference here and called on participants to display tolerance and respect for each other.

The mayor's office and the Moscow government have revised their earlier decision banning any public action within the garden ring road on November 7.

A meeting is scheduled for 0900 Moscow time near the monument to Lenin in Oktyabrskaya Square on the initiative of the Moscow Labour Movement, the United Workers' Front and the Unity for Leninism and Communist Ideals Association, as well as the Communist initiative functional Komsomol organisation. Representatives of Moscow's work collectives and some public associations will speak at the meeting, after which participants will march towards Red Square.

A commemorative meeting will be held at 1000 in Lubyanka Square in front of the KGB headquarters. Its organisers are the regional association of Moscow's Russian Christian-Democratic Movement and Russia's Democratic Party.

A service will be held to remember the dead of the civil war. After that the participants will march towards Volkhonka where a rock was recently laid as a sign of restoration of the cathedral of Christ the Saviour, that was razed in the thirties.

Confirming the plans for the two demonstrations, Mayor Popov told the news conference that everything had been done by the mayor's office to prevent the two marches from crossing each other's way but in closing he pointed out that "an uneasy situation lies ahead for us".

According to a public opinion poll conducted by the independent Mneniye service, 65.9 per cent of Muscovites approve the decision not to hold a military parade in Red Square, while 33.4 per cent of those polled favoured holding a march-past of working people in Red Square.

Attitudes 'Contradictory'

LD0711111591 Moscow TASS in English 1023 GMT 7 Nov 91

[Text] Moscow November 7 TASS—Thousands of people attended a rally in Moscow's Oktyabrskaya Square at the foot of a monument to Soviet state founder Vladimir Lenin on the 74th anniversary of the Bolshevik revolution he led in 1917.

Some carried streamers saying: "No to the market adventure", "Power to the soviets of people's deputies, not to mayoralties and parliaments" and "No to the restoration of capitalism in Russia".

Elsewhere, however, attitudes to revolution day on November 7, once the nation's main holiday, were contradictory like never in the past. There had been strong calls in the run-up to the date for either abolishing it altogether or putting off the two days off until the Christmas holidays.

Several Moscow factories decided to do just that, working today so that to take a rest in the final days of the year. For plants with continuous production cycles and municipal services it was business as usual, of course, as well. Some officials in the mayor's office and the city's governing council Mossoviet were also at work.

Petropavlovsk-Kamchatsky—Several hundred people took part in a revolution day rally here, which started with a laying of flowers to a monument to Lenin.

Speakers at the meeting, sponsored by the Tovarishch Comrade political club, sounded alarm over falling living standards and criticised the economic policies of both the Russian and federal leaderships.

That rally, however, was preceded by another one in the historical part of the city, at which members of democratic parties and movements paid a tribute to the victims of totalitarianism.

Birobijan—Retired workers and war veterans, including those from the Afghan campaign, came to the city's Lenin Square as usual on Revolution Day this morning for a rally to mark the 74th anniversary of the "ten days that shook the world".

Many young people and workers from local enterprises attended.

Kaluga—Only senior citizens here followed the old tradition of participating in a revolution day demonstration here today.

The one request for a march past on November 7 had been filed with the local authorities by the City Council of Veterans.

Pskov—A rally is to take place in the city's open-air theatre today, following up on Wednesday's [6 November] gala assembly to mark the 74th anniversary of the Bolshevik revolution.

Both events were organised by the faction "for human rights and freedoms" in the Municipal Council, the City Council of War and Labour Veterans, and the local group for establishing a socialist party of working people.

Local activities of the Democratic Russia Movement, for their part, invited people to take part in a separate street procession to bemoan the revolution as a national tragedy.

Stepanakert—Both November 7 and 8 are working days in the disputed enclave of Nagorno-Karabakh, but two extra days off will be added on December 30 and 31.

The city council that took the decision explained it by [as the] wishes from [of the] working people.

Low-Key Demonstrations

LD0711095391

[Editorial Report] Moscow Central Television First Program Network in Russian at 0800 GMT on 7 November, in an 11-minute TV INFORM bulletin, includes a two-minute reminder that today is the 74th anniversary of the Great October Socialist Revolution, an event that has generally been marked with a parade on Red Square. Everything is different now, the presenter says, but many citizens have strong memories of the past, and today sees two quite different demonstrations. He introduces a pair of video reports from Petr Orlov and Aleksandr Gerasimov.

Orlov, on Moscow's Red Square, notes that there are few people about, mainly tourists. The militia has been reinforced, Orlov says. He gives details of the demonstration of socialist and patriotic organizations which the Moscow mayor's office has permitted; numbering about 25,000, they are gathering on Oktyabrskaya Square and are expected to lay flowers at the Lenin mausoleum at about 1200 Moscow time [1000 GMT]. War veterans have already laid some flowers there. Orlov hands over to Gerasimov, said to be at Manezh Square. The video shows Gerasimov and traffic in the square behind him, but no sound for most of his report; when sound is provided toward the end of it, Gerasimov is giving previously reported details of the other "mourning" demonstration, noting that the authorities have ensured that the two demonstrations do not cross each other's path.

Back on Red Square, Orlov says that "as far we know, there will be nobody on the Lenin mausoleum today. Ivan Stepanovich Silayev is playing tennis with President Bush's brother; Boris Yeltsin, who has not yet arrived for work at the Kremlin, but may appear soon, has to, or rather might today sign the decree on radicalization of reforms in the economy. We do not as yet know what President Gorbachev will be doing today." He closes the video report with shots of an evangelical Christian organization which has just come onto Red Square to hand out Christian literature, and notes that the GUM department store is open today—"GUM is working on this day, which is unusual, and most likely the situation in the country will depend on how things go there, at GUM, rather than on what anyone might say now from the mausoleum. I do not suppose we are going to hear anything from there today."

The bulletin closes with a four-minute clip from the 1980 anniversary parade on Red Square.

Gorbachev Addresses Reforms at Awards Ceremony

LD0611220191 Moscow Central Television First Program Network in Russian 1900 GMT 6 Nov 91

[Text] An official ceremony was held in the Kremlin for handing out state awards. USSR President Gorbachev took part in the ceremony.

[Begin Gorbachev recording] This is my very first meeting with the people who have been given high awards for their feats and achievements in work. I have never had such a meeting before, because the situation beyond the Kremlin walls is alarming and turbulent. It is not enough to say that there is a great deal of discontent, yet thinking about whether to abandon the accepted tradition of handing out state awards right before the October celebrations, I decided that this should not happen on any account.

That is generally a fundamental question. Do we really want to bury ourselves? No. True, times are hard. True, we have many extremely difficult things to do. When you get back home, you may be asked whether the president said anything about what is going on. Does he know anything, or is he just sitting there inside the Kremlin walls without knowing anything that is happening with us?

We know the situation. We can see all its complexities. Now we have come close to the stage when we cannot afford to stop to think. We have got to carry on. Very firm measures to speed up the reform are required. I think that this is the general mood now, anyway. That work which has been carried out and will be carried out inside the country by our working class and farmers will provide us and give us the opportunity to say that we, taking into account cooperation with foreign partners, will be able to maintain the food supply at the level of the current year; in other words, that we will prevent any further slide and deterioration.

As to fuel, despite all the difficulties, we are able to provide it. There will be some holdups in individual areas where fuel supplies are in short supply. I have in mind capacities of the power stations that have fallen behind. Such problems exist in some places and regions, but generally fuel exists and will exist. Therefore, one can count on our being able to go through the autumn, winter, and spring.

Of course, everyone will have to work in earnest. Of course, we will be moving along the path of reform. But the path will be such that people themselves will be involved in tackling things via destatification, via privatization, via allocating land for lease or other forms, so that people can take charge of their work, factories, land, and resources and show their initiative and interests. That is the main point of reform. There is no other way.

We hoped for decades that command methods could resolve things. We have already exhausted to the end all the possibilities of the administrative system. It was not possible to carry on living like that. We embarked on reforming and transforming the whole of this enormous country. That is a very difficult affair. It will take a long time, but positive processes must be launched even in the immediate future.

I consider it necessary to tell you this: We can see the whole situation with all its complexities, and hope for mutual understanding now more than ever. I cannot help saying at this meeting that tomorrow is the October revolution anniversary. When you go back home you may be asked whether the president recalled that anniversary and the October revolution. We have already found out a lot of things that happened to us in all the years following the October revolution. We do not want to cross out the lives of our grandfathers, fathers, mothers, and what they have done in this land. We are people who will remember, but we have enough courage to say that the model that was imposed on our society by Stalin led to serious consequences in all things. I have in mind repressions and infringements on human freedom and rights. Society was in shackles.

Now we understand this very well and we know what we have to do. This is not to call into doubt the October impulse of the people: working people, peasants, soldiers, who went into the revolution to return the land to the peasants—something that we are discussing today, and to return work to workers—something that we are also discussing today. People should not be alienated from power with the latter being placed elsewhere, but they must possess power and be power themselves.

Thank you once more on behalf of the state for your enormous work for the benefit of our land and our fatherland. [end recording]

IZVESTIYA on Gorbachev Treason Charge

Ilyukhin's 'Personal Ambition'

PM0611211091 Moscow IZVESTIYA in Russian 7 Nov 91 Union Edition p 1

[Reports by V. Rudnev, G. Alimov: "Criminal Case Against Gorbachev: Provocation or Misunderstanding?"]

[Text] [Rudnev] The television news bulletins on the evening of 5 November and PRAVDA on the morning of 6 November carried a sensational report: On 4 November Viktor Ilyukhin, chief of the USSR Prosecutor's Office administration to oversee the implementation of state security laws and senior assistant to the USSR general prosecutor, having examined documents relating to the recognition of the independence of Latvia, Lithuania, and Estonia and the secession of the said republics from the USSR, instituted criminal proceedings against USSR President Mikhail Gorbachev under Article 64 of the RSFSR [Russian Soviet Federated Socialist Republic] Criminal Code—high treason.

He tasked investigators of the Interrepublic Security Service with investigating the case and sent them his materials (addressed to V. Bakatin), but a few hours after the sensation was reported by the mass media, USSR General Prosecutor Nikolay Trubin countermanded as unlawful his senior assistant's ruling on the institution of criminal proceedings against M. Gorbachev.

The first comments on these decisions by the Union Prosecutor's Office are contradictory. Judging from the tone of Aleksandr Nevzorov's remarks in "600 Seconds" and PRAVDA, M. Gorbachev, as head of the State Council, contrary to the USSR Constitution, which makes it incumbent on him to act as guarantor of the observance of Soviet citizens' rights and freedoms and to adopt the necessary measures to preserve the sovereignty of the USSR, failed to fulfill his constitutional duties; allowed Lithuania, Latvia, and Estonia to secede from the USSR; and deliberately committed acts detrimental to the country's sovereignty, territorial inviolability, state security, and defense capability. Other commentators regard the decision by V. Ilyukhin (who is well-known, incidentally, as the leader of the group investigating the case of T. Gdlyan and N. Ivanov, which was recently dismissed by the USSR general prosecutor) as a provocative move prompted by the desire to go out with a bang prior to his discharge from the prosecution service.

It is well known that Ilyukhin has repeatedly spoken out against the republics' policy of self-determination. In the past month the senior assistant to the USSR general prosecutor has practically stopped informing his bosses of the decisions he makes. Another factor should also be borne in mind: Ilyukhin instituted criminal proceedings against M. Gorbachev 1 November, the very day that the fate of the USSR Prosecutor's Office was being decided in the State Council. On that occasion some members of the State Council came out against the existence of the Union Prosecutor's Office, while others were in favor. On 5 November N. Trubin briefed the prosecutor's office apparatus on the events at the State Council session. A few hours later, V. Ilyukhin packed up some papers, sent them off to V. Bakatin's department, and disappeared from the prosecutor's office. A few hours after that, V. Ilyukhin's package was returned to the general prosecutor's desk.

N. Trubin regards his senior assistant's ruling as a manifestation of right-wing political extremism and abuse of his official position. Ilyukin's liability will be decided after investigation, but today (6 November) the USSR general prosecutor signed an order dismissing Ilyukhin from the prosecution service for violating his official obligations. In reply to further questions from IZVESTIYA's correspondents, N. Trubin observed:

"In fact, Ilyukhin's papers contain no materials relating to the case; they only contain copies of the texts of laws, newspaper articles about the 6 September State Council decision and the situation in the Baltic regiion, and his own three-page ruling. This ruling is totally invalid from the legal point of view."

[IZVESTIYA] "So what is this—personal ambition on V. Ilyukhin's part?"

[Trubin] "Most likely. It cannot be ruled out that he has the backing of certain forces that are trying not only to present the prosecutor's office in an unfavorable light to the State Council and the USSR president, but above all to slow down the democratic transformations in the country."

We tried to contact V. Ilyukhin himself—without success.

[Alimov]**Provocation With Far-Reaching Aims**

In circles close to the USSR president, this ruling is assessed as legally invalid and provocative.

There are obviously grounds for this view. A good many questions arise here. Why should such a complaint appear at precisely this moment? Why is it directed solely against M. Gorbachev? The antipresidential thrust of the document is obvious. The accusation is not leveled at the USSR State Council, to which the Congress of People's Deputies granted the right to make decisions on questions of domestic and foreign policy. These decisions, incidentally, are binding, and another thing: Who needed this ruling to appear and why? What aim does it pursue? It is hard to imagine that the idea of bringing criminal proceedings against the USSR president occurred to USSR Prosecutor's Office staffer V. Ilyukhin and nobody else. It is hardly likely that someone holding such a responsible post would file such a complaint on his own personal initiative. So who is behind him?

These questions are only natural, but there are no answers to them yet. One can only speculate. It cannot be ruled out that this step was only the beginning of some kind of chain of events. Of course, there are no direct grounds for this assertion, but it is also illogical to dismiss the possibility out of hand.

It is quite clear that the document's publication has a political thrust. Basically it is also an accusation against the Congress of USSR People's Deputies, where in effect the question of recognizing the Baltic republics' independence was predetermined. A time bomb is also being placed beneath the structure of the State Council itself. Logically, if a charge is brought against the person who chairs the sessions of this new organ of administration of the country, its other members automatically become accomplices, so to speak.

Georgiy Shakhnazarov, adviser to the USSR president, believes the "trial balloon" launched by Prosecutor Ilyukhin could inflame passions and provoke nationalist outbursts. Could certain interested parties be trying to ride this wave in order to boost the chances of a repetition of the abortive August putsch?

"You cannot help drawing such conclusions when you see how the USSR president has recently been subjected to attacks by extremist forces on both the right and the left. The impression is created that someone is orchestrating them in the hope of overthrowing the legitimate organs of power and establishing an 'iron hand' regime in the country," Shakhnazarov said.

All this indicates yet again how badly we now need unity among democratic forces and all who support the course of profound reforms in our society and the return of the people's life to its normal routine.

'Deliberate Political Provocation'

OW0611191591 Moscow INTERFAX in English 1735 GMT 6 Nov 91

[Transmitted via KYODO]

[Text] The USSR President's Counsel Georgiy Shahnazarov has described as "a deliberate political provocation" the warrant signed by a member of the USSR Prosecutor's Office Victor Ilyukhin opening a criminal case against Mikhail Gorbachev under Clause 64 of the RSFSR Penal Code (high treason).

"This attempt by Ilyukhin is aimed at inciting nationalist hyteria which would help the reactionary forces to try a repeat of the failed August putsch," he explained.

G. Shahnazarov notes that the president has lately been a target for extremist forces of both right and left wing. "The impression is that somebody is conducting this orchestrated campaign for toppling the lawful government and replacing it with 'an iron fist' regime."

G. Shahnazarov showed the legal absurdity of the charge against the president brought up by Ilyukhin.

The charge is based on the decision by the State Council of September 6 recognizing the independence of Lithuania, Latvia, and Estonia. According to Ilyukhin, M. Gorbachev heading the State Council broke the USSR Constitution obliging him to guarantee the rights and freedoms of the citizens, the Constitution and other USSR laws, and to take necessary measures to protect the sovereignty of the Union by failing to do all those constitutional duties. By conceding the secession of the Baltic republic the President allegedly voted deliberately against the sovereignty, territorial integrity and defence of the USSR.

G. Shahnazarov points out that Ilyukhin—if so concerned for legality—had to charge not the president, but the whole State Council which, however, is authorized by the USSR Congress of People's Deputies to take decisions on internal and external policies.

By the same logic, remarked Shahnazarov, charges could be brought against the Congress which had actually predetermined the Baltic republics' independence or against the population of those republics for their wish to be independent.

Ilyukhin Fired

LD0611203391 Moscow Russian Television Network in Russian 1800 GMT 6 Nov 91

[From the "Vesti" newscast]

[Text] Nikolay Trubin, USSR general prosecutor, has very quickly—indeed, today—fired his senior assistant, Viktor Ilyukhin. I would remind you that it was Viktor Ilyukhin who the day before yesterday instituted criminal proceedings against Mikhail Gorbachev over charges of state treason—meaning the Soviet president's recognition of the independence of the Baltic republics.

Heads of State Security Structures Appointed

LD0611191291 Moscow TASS International Service in Russian 1801 GMT 6 Nov 91

[Text] Moscow, 6 Nov (TASS)—By presidential decrees, the USSR president has today appointed the leaders of the three new USSR state security structures. They were established after the State Council disbanded the USSR Committee for State Security. The State Council has approved these appointments in its own decree:

Vadim Bakatin, 54 years old, who occupied the post of USSR minister of internal affairs from 1988-90, has been appointed leader of the Interrepublic Security Service.

Yevgeniy Primakov, 62 years old, former member of the Presidential Council and the USSR Security Council, has been appointed director of the USSR Central Intelligence Service, and 60- year-old Ilya Kalinichenko, who previously occupied the post of chief of staff of the USSR KGB border forces, has been appointed chairman of the Committee for the Protection of USSR State Borders and commander-in-chief of USSR border forces.

The USSR president has instructed Vadim Bakatin to work out, over two weeks, temporary regulations for the Interrepublic Security Service agreed upon with the leadership of the security bodies in the sovereign republics. Yevgeniy Primakov and Ilya Kalinichenko are to work out similar regulations for their own organizations within the same timeframe.

The new structures for USSR state security are being established in accordance with the USSR State Council decree of 22 October on reorganizing the state security bodies.

Minister on Internal Affairs Reform

LD0611161291 Moscow TASS International Service in Russian 1457 GMT 6 Nov 91

[By TASS correspondent Vladimir Gondusov]

[Text] Moscow, 6 Nov (TASS)—The reform of internal affairs bodies will take place very rapidly and in a difficult operational situation, USSR Internal Affairs Minister Viktor Barannikov said at a briefing today.

The aim of the reform is to increase the independence and responsibility of the republican ministries of internal affairs. The USSR Ministry of Internal Affairs will retain such functions as coordinating the actions of republican ministries, analyzing the state of affairs, exchanging experiences, and providing methodological and other assistance.

Viktor Barannikov announced that the main forces of the Internal Troops, which number 230,000, are being subordinated to the sovereign republics. In particular, military units and subunits guarding corrective labor institutions and escorting convicts are to be transferred to their jurisdiction, as are militia formations engaged in protecting public order.

Rapid action [operativnyye] units, numbering over 70,000, as well as units guarding the more important facilities, remain under the jurisdiction of the union ministry. The rapid action units are to make up the interrepublican internal troops to be used to settle conflicts in "trouble spots." The matter of subordinating these troops to the USSR State Council is being examined.

An interrepublican Council of Ministers of Internal Affairs is being set up tasked with dealing with fundamental issues, Viktor Barannikov said in conclusion.

More on Reforms

OW0711084391 Moscow INTERFAX in English 1430 GMT 6 Nov 91

[Transmitted via KYODO]

[Text] The USSR Minister of the Interior Viktor Barannikov told jouralists on Wednesday [6 November] that within the framework of the reform planned by the USSR State Council 270,000 interior troops would be transferred under republican command.

Mr. Barannikov explained that these would be prison guards, convoy units, the bulk of law-enforcement personnel and the units guarding especially important installations. He indicated that special agreements would have to be concluded with the republics on the matter.

The minister said the State Council resolution reorganizing the Interior Ministry provided guarantees against the involvement of troops transferred uner republican command in interrepublican conflicts.

He said the ministry reform was expected to be over within the next 30 days. The Interior Ministry's budget would amount to 5.9 billion rubles in 1992. The staff of the central apparatus would be reduced by 21 percent.

Defense Minister Comments on Security Changes

OW0611181691 Moscow INTERFAX in English 1629 GMT 6 Nov 91

["Diplomatic Panorama" feature by diplomatic correspondents Mikhail Mayorov and Igor Porshnev; transmitted via KYODO]

[Text] This time there was no great difference between the USSR Defense Ministry and Foreign Ministry in their assessment of George Bush's proposals or in the coordination of their response to his calls for cuts in nuclear arms. This was announced by the USSR Defense Minister Evgeniy Shaposhnikov in an exclusive interview for IF [INTERFAX] on Tuesday [5 November]. "We went much farther than the Americans" in our response concerning cuts in strategic and tactical weapons, the minister pointed out in his conversation with DP's [Diplomatic Panorama] correspondent.

According to the minister, at the session held by the State Council on Monday [4 November] support was given to the idea of unified armed forces when "both the nuclear button and the operative command of troops will be in one hand".

When asked about the schedule for withdrawing the Soviet training brigade from Cuba, E. Shaposhnikov said: "This is primarily Cuba's affair". According to the minister, a formula for resolving this issue acceptable to both sides might be found during the upcoming talks. "What we gained as a result of keeping our troops in many countries for many years is nothing but economic losses," he stressed.

In comments on the statement of USSR Foreign Minister B. Pankin as to the need to reduce the number of intelligence officers at Soviet embassies E. Shaposhnikov said that "on the whole all central ministries, including the Foreign Ministry, should reduce their staff". According to the defence minister, this involves a general process, and it's hardly necessary to single out anyone.

Foreign Ministry Competence Questioned

OW0711085791 Moscow INTERFAX in English 1430 GMT 6 Nov 91

[Transmitted via KYODO]

[Text] On November 4 IF [INTERFAX] quoted an official of the third European department of the USSR Foreign Ministry as saying that the Soviet Union will support economic sanctions against this or that Yugoslav republic responsible for the continuation of the conflict. This measure is envisaged by the UN Security Council's resolution adopted last September and supported by the Soviet Union.

IF said that if the European Communities conference in The Hague votes for sanctions, this question can be brought up at the United Nations, too. The recording of the conversation with the diplomat makes it quite clear that the USSR will abide by the resolution following consultations by the permanent members of the UN Security Council. The diplomat did not rule out that for that purpose a special meeting of the UN Security Council could be convened. If the idea of economic sanctions is supported, the Soviet Union would in the first place have to suspend the Soviet Union of fuel to Yugoslavia.

Asked to comment on this statement at a briefing yesterday (November 5) the USSR Foreign Minister Boris Pankin neither confirmed nor denied the report. There has been evidence that the subject was discussed further by the Foreign Minister and his subordinates after the briefing. As a result, the "strongest one" emerged the winner and the Russian news agency RIA accused IF of "incompetence".

No one can deny that this is a question of professionalism and competence. The question is whose competence and professionalism? One has the impression that senior USSR Foreign Ministry officials shouldn't be bothered with complicated foreign policy questions at a time when a far more serious problem, that of the USSR Foreign Ministry's future is at stake. IF avoids naming the source in the USSR Foreign Ministry this time, too. However, if the authenticity of the report is called into question again, we will be prepared to do so.

Gorbachev on Unilateral RSFSR Actions

AU0611192091 Vienna ORF Television Network in German 1830 GMT 6 Nov 91

[Interview with Soviet President Mikhail Gorbachev by ORF Moscow correspondent Christian Schueller in Moscow on 6 November—recorded, in Russian with superimposed German translation]

[Text] [Schueller] With the radical decontrol of prices, is Boris Yeltsin not doing exactly what you have avoided doing so far? Will the feared social explosion take place now?

[Gorbachev] You know my speeches on this topic. Well, what else can I tell you? No, seriously, what would worry me is unilateral action by Russia. Russia cannot pull itself out of the crisis on its own. If the other republics lag behind, the most dangerous situation will develop. Then there will be the unrest that people talk about. Dissatisfaction will assume enormous proportions. Another thing is that the relations between the republics must become completely different. This is correct, but it must happen within a new Union.

Chief of Commission on KGB Interviewed

PM0511105191 Moscow ROSSIYSKAYA GAZETA in Russian 31 Oct 91 p 2

[Interview with Sergey Stepashin, chairman of the state commission for investigating the activities of state security organs, by Andrey Zhdankin; date and place of interview not stated: "Why the Commission, You Who Created It?"—first two paragraphs are introduction]

[Text] The term of office of the State Commission for the Investigation of the Activity of the State Security Organs, created by a decree of the USSR president, expired 26 October. I recall that it was created to ascertain the role of the USSR KGB structures in the August events and also at the end of its work to submit its proposals for the reform of the state security organs. The deadline has passed, but there have been no reports in the press on the conclusions of the commission.

We turned for explanations to Russian Soviet Federated Socialist Republic [RSFSR] People's Deputy Sergey Stepashin, the commission's chairman.

[Stepashin] On Friday 25 October the final session of the commission was held which approved several documents in their final form. The first was the conclusion on the role of state security in the anticonstitutional coup. It mentioned the role played in the putsch by specific subunits and their leaders, the problems connected with the reorganization of the KGB, and the commission's vision of these problems at the level of the former Union. The second document consists of specific proposals for reorganizing what is now the former USSR KGB. The third consists of recommendations for the legal backup for the activity of the special services or public security services.

The discussion lasted nearly four hours and on all fundamental questions the commission members were unanimous. We also prepared a letter addressed to President Gorbachev, because the commission was created by his decree, and in the letter we set out all the conceptual problems of the reform of the special services and their role in preparing and implementing the coup.

Immediately the commission's work had ended we planned to hold a news conference and to issue the documents to the mass media but because Mikhail Sergeyevich was very busy he asked that we meet with him after 30 October. On Friday the documents were sent to Gorbachev.

[Zhdankin] The commission has completely ceased to exist? Who will "deal with" the reform of the USSR KGB?

[Stepashin] The commission created by the president's decree no longer exists but in the final documents we reached the following formula: "In the future the implementation of the commission's proposals and the reform of KGB structures and their current activity should be monitored by a newly created committee of the USSR Supreme Soviet and by the parliamentary committees of the republics." Incidentally, these committees were supposed to do this but the idleness of the Union Supreme Soviet Committee for Defense and Security under Sharin's leadership was obviously highly infectious.

[Zhdankin] Why did the State Council decide to abolish the USSR KGB without considering the opinion of the commission crated for precisely this purpose and at the moment when conclusions in their finished form had not yet been formulated and you and other leading members of the commission were away? Forgive me, but I have formed the impression that the commission was working "for a moving target" and was in part fulfilling decorative functions.

[Stepashin] For all my respect for Mikhail Sergeyevich I must note that there is a continuation of the same practice which the USSR president pursued before the coup: Many decrees and decisions are taken without specific study and consultations with the structures which are affected by these decisions. The commission has sent Gorbachev two letters: one as soon as the question arose of separating off the intelligence service and the other on the border troops. Their thrust came down to the fact that it was necessary to suspend possible reorganizations until the commission's work had ended. The letter on the border troops met with a response and this structure has become independent, but there was no reply at all to the other letter. And the active reform of the USSR KGB is already under way.

I agree with the political act on the dissolution of the Union KGB but I believe that the reform should proceed along a different path, which we suggested in our letters to the president: immediately inviting to the RSFSR or to any other republic representatives of the relevant parliamentary and executive structures of the sovereign republics and sitting down together and determining the formula and concept of security at the level of the former Union and determining what kind of central organ is needed. With the present path the problem of financing union structures will arise in all its magnitude in the very near future. We are familiar with the Russian president's statement, and he confirmed it yet again at the congress which has opened, that the financing of all but three union departments will cease as of November. The USSR KGB, even the former USSR KGB, is not among these three...

I think that here it is not a matter of Mikhail Sergeyevich but of those who work with him—advisers and assistants.

KGB Establishes Whereabouts of 23 POW's

OW0511200691 Moscow INTERFAX in English 1743 GMT 5 Nov 91

[Transmitted via KYODO]

[Text] The KGB unit searching for Soviet servicemen taken prisoners in Afghanistan, Pakistan and elsewhere, says it has established the whereabouts of 23 of the 305 men who went missing during the Afghan war. Three POWs may return home in the near future already.

The unit's chief Aleksandr Golubev told the missing servicemen's parents on Tuesday [5 November] that "a large group of specialists in KGB missions abroad" are busy looking for Soviet prisoners of war. Some POWs have been allowed to write home and receive letters, others may be bought out from the Afghan opposition. It is important, Mr. Golubev said, that the release of prisoners "remain a humanitarian problem and not acquire a distinctly political flavor." The latter, he noted, might bring the Soviet side face to face with "newer demands and ultimatums."

According to A. Golubev, his unit will continue its efforts regardless of the restructuring of the KGB.

Economic

Nine-Month Economic Performance Data

924A0140A Moscow EKONOMIKA I ZHIZN in Russian No 43, Oct 91 pp 7-10

[Report of USSR State Committee for Statistics: "The USSR Economy Over the Period January-September 1991"]

[Text] Analysis of the data indicates that the country's economic situation is continuing to worsen. The severing of production ties from region to region and sector to sector is becoming more intense, and product delivery infrastructure is deteriorating.

Over the period January-September, the gross national product dropped 12 percent from the corresponding period of last year, the national income produced fell 13 percent, and the productivity of social labor 12 percent.

Production is declining in all sectors. Within industry, it is particularly appreciable in fuel extraction and metallurgy. Production is off for practically all foodstuffs, and the decline in production of everyday consumer goods is sizable.

The shortage of most consumer goods is continuing. There has been a sizable rise in nominal money income, but the standard of living has dropped for the majority of the population. Personal consumption of material goods and services has decreased 17 percent.

The country's financial situation has become extremely problematical, inflationary processes have become stronger, and the ruble has continued to lose value. The overall price level for the goods and services included in the national income produced rose 1.8-fold over the period January-September compared to the corresponding period of last year.

The results for the period January-September 1991 are characterized by the following basic indicators (in actual prices; billions of rubles [R])[1]

	January-September 1991	
	Actual	Relative to January-September 1990, in % (comparable prices)
Industrial output	1346.0	93.6
Production of consumer goods	510.5	96.3
Breakdown:		
Foodstuffs	188.1	91.7
Nonfood items	272.1	98.4
Products of light industry alone	115.1	92.0
Alcoholic beverages	49.3	104.0
Agricultural output (in comparable prices)	140.0	90.0
Activation of fixed capital by state enterprises and organizations (at estimated cost, in prices as of 1 January 1991)	94.3	85.0
Capital investments of state enterprises and organizations (at estimated cost, in prices as of 1 January 1991)	169.3	96.0
Breakdown:		
Centralized	70.1	89.0
Resources of investment funds of enterprises and organizations	99.2	102.0
Employed labor force, in millions	135.7	98.2
Average funds per worker and employee committed to consumption per month, in rubles	391.0	154.0
Average monthly remuneration of kolkhoz members in socialized farming operation of kolkhozes, in rubles	226	123
Personal money income[2]	784.0	169.0[3]
Personal expenditures to purchase goods, pay for services, and make mandatory payments and voluntary contributions	610.0	147.0
Excess of personal money income over personal expenditures	174.0	3.7-fold growth
Growth of savings deposits, acquisition of bonds and other securities	103.1	3.7-fold
Retail commodity sales of state and cooperative trade	481.4	88.3
Paid services	64.7	81.2
Summary retail price index (of goods and services)		170.6[3]

Footnotes:

[1] In this report, the results are given without the Baltic states except for the data on the circulation of money and those cases specifically so indicated.

[2] Not including compensation of savings credited to special accounts.

[3] In actual prices.

The complicated situation which has persisted in the fuel industry has caused a deterioration of the supply of fuel and electric power to the country's economy in the fall and winter both in the production and consumer sectors.

As of 1 October, stocks of enterprises and organizations which are the principal consumers of coal used for generating heat and power, coking coal, and furnace fuel oil are substantially lower than on the same date last year.

Stocks of coal in the depots and storage facilities of executive committees of Soviets of People's Deputies, which mainly supply fuel to the public, amounted to 11.2 million tonnes as of 1 October and were 3.3 million tonnes smaller than on the same date last year.

Work is being completed to prepare the housing stock for the winter.

As of the beginning of October, assignments for preparation of the state housing stock and for use under winter conditions had been fulfilled in the Russian Soviet Federated Socialist Republic [RSFSR] by 97 percent (in terms of total floor space). There is a sizable lag in Tuva ASSR and Sakhalin Oblast, where fulfillment of assignments did not exceed 50 percent. The deadline for completing work in those regions was set for 1 September.

Among the republics where the deadline for completion of the work was set at 1 October, the lowest level of readiness of the state housing stock is 91 percent in the Ukraine, while in Moldova it is 93 percent and Kazakhstan 95 percent.

A considerable amount of work has not been completed in the Central Asian republics, where assignments were fulfilled at a level of 71-91 percent.

The situation in providing heat to housing, enterprises, and organizations in the coming wintertime may become acute if steam and water-heating boilers are not activated on time at heat and power stations Nos. 12 and 26 of Mosenergo, Barnaul No. 3, Ulyanovsk No. 1, and Irkutsk No. 12—in the RSFSR, Kiev No. 5—in the Ukraine, Uralsk No. 1, Chimkent No. 3—in Kazakhstan, the Sumgait Heat and Power Station in Azerbaijan, and the heat and power station of the city of Beltsy in Moldova, where the readiness of projects as of 1 October did not exceed 55 percent.

Finance, Personal Income and Expenditures, Circulation of Money

The crisis of the budget system during this year has been aggravated by the gap that is widening between state expenditures and revenues collected, which have dropped off substantially. This has resulted in an unprecedented deficit, which in the Union budget over the period January-August reached R76.5 billion, as against R33.9 billion over the same period of last year. Given those conditions, Gosbank [State Bank] substantially increased credits to USSR Ministry of Finance. The domestic state debt increased from R566.1 billion at the beginning of the year to R875.2 billion as of 1 August (taking into account the compensation credited on bank accounts of individuals).

The drop in the volume of production and production efficiency, the decline in income from foreign economic activity, the broadening of benefits under the profit tax, and the growth of state expenditures under social welfare programs adopted in order to protect the population against the rise of prices have become economic factors in the state of crisis of state finances.

Over the period January-August, revenues collected for the Union budget amounted to R73.6 billion (40 percent of the plan for the first nine months), including R17.3 billion (55.5 percent) of resources from republic budgets to finance nationwide programs, R8.4 billion (28.3 percent) from the profit tax, R5.8 billion (21.5 percent) from the sales tax, R18.1 billion (29.4 percent) in revenues from foreign economic activity, and R16.9 billion (113.9 percent) in levies and various nontax revenues.

Over the period January-June, revenue collection averaged R8.4 billion a month; in July and August, the situation improved somewhat—the average monthly revenue collection amounted to R11.5 billion, but it is still substantially below the projections in the plan (R20.4 billion).

Over the period January-August, expenditures from the Union budget amounted to R150.1 billion (69 percent of the plan for the first nine months), out of which R17.7 billion (12 percent of all expenditures) went to finance the economy, R8.4 billion (six percent) went for science, R4.5 billion (three percent) went to service the domestic state debt, R62.5 billion (41.6 percent) went for military expenditures, R13 billion (8.6 percent) went for social welfare and cultural programs, R7.8 billion (5.2 percent) went to finance the bodies of government, administrative agencies, and law enforcement agencies, R8.3 billion (5.5 percent) were related to foreign economic activity, and R6.1 billion (4 percent) went for target programs.

The expenditures of the unified fund for social welfare support of the population were financed from the federal budget. As of 1 September, R3.9 billion had been credited to that fund from the federal budget (45 percent of the amount planned).

During the current year, the nationwide off-budget fund for economic stabilization has not been built up satisfactorily. According to planning calculations for 1991, the fund's revenues should have been R59.7 billion and its expenditures R68.4 billion. As of 1 October, the nationwide fund for stabilization of the economy had received R32.9 billion, R6.7 billion of this paid in by enterprises, R22.2 billion in bank credits, and R4 billion of budget resources. In the third quarter, this fund received R22 billion (67 percent of the total amount for the first nine months, mainly by taking bank credits). Expenditures from the fund amount to R31.8 billion, including R15.9 billion in centralized capital investments and R14.2

billion in subsidies to the republics. Of the funds paid in by enterprises to the nationwide stabilization fund, R5.9 billion came from the RSFSR, R416 million from Uzbekistan, R96.6 million from the Ukraine, R12 million from Moldova, R94 million from Kyrgyzstan, and R134.9 million from Tajikistan. The remaining republics transferred no funds.

The financial activity of enterprises and organizations has taken place this year in the context of a sizable rise of prices in most sectors of the economy, which has brought about a nominal growth of profit. The profit of enterprises and organizations amounted to R252.8 billion over the period January-August and was 77.6 percent greater than over the corresponding period of last year. Profit remaining at the disposition of enterprises increased 29 percent over last year and amounted to R159 billion. Its improvement is related both to the rise of prices and also to the broadening of benefits under tax rates and the drop in their level.

But the growth of profit did not signify a corresponding increase in the purchasing power of enterprises and organizations, because at the same time there was a rise in the prices of the material resources they consumed, labor resources, the interest rate on credit, and so on. For example, in industry wholesale prices of enterprises for finished products rose 2.1-fold, and the price index of material resources consumed was practically the same (208 percent).

Over the period January-August, R169 billion were supposed to be used to make the same expenditures of enterprises that they made in the corresponding period of last year, but on the basis of the new prices, conditions for remuneration of labor, and social expenditures. The total amount of resources actually left at the disposition of enterprises was R10 billion less; that is, the growth of profit in prices and conditions comparable to last year is exceeded by the actual rise of prices of raw materials, supplies, capital investment efforts, and additional costs for the social welfare of workers.

The share of enterprises operating at a loss is still sizable in the economy. Over the period January-August, 12,600 enterprises and organizations (11.3 percent) incurred a loss totaling about R7 billion. In industry, enterprises operating at a loss represent 3.6 percent (the amount of the losses is R1.081 billion), 4.9 percent in the fuel industry and electric power industry (the loss amounted to R180.8 million), and metallurgy 4.8 percent (R112.1 million).

Credit invested in the economy over the period January-August increased by R212.5 billion (58 percent), and as of 1 September amounted to R576.9 billion.

Personal money income amounted to R784 billion and increased by R320.9 billion, or 69 percent, over the corresponding period of last year. Moreover, in the first quarter income rose R39.7 billion (26 percent), in the second quarter R94.7 billion (63 percent), and in the third quarter R186.5 billion (2.2-fold).

The sizable increase of money income was largely brought about by the rise in remuneration of labor and compensation of current expenditures and savings related to the rise of retail prices and rate schedules. Moreover, compensation on savings was credited to special accounts in USSR Sberbank (approximately R126 billion) at 7 percent per annum and available for use in three years. The owners of the special accounts may in certain cases make transfers from those accounts before the end of the three-year term in the form of credit transfers to pay for expensive goods and housing.

For every percentage point of growth of personal expenditures for goods and services, income (not including compensation on deposits paid into special accounts) rose 1.4 percent. This resulted not only because of the sizable growth of income, but also the reduction in the physical volume of sales (because of the insufficient supply of commodity resources to the trade sector and the drop in consumer demand for certain goods) and paid services.

Personal income exceeded expenditures by R174 billion (22 percent of income), as against R47 billion (10 percent of income) over the period January-September of last year, including third-quarter figures of R103 billion (30 percent of income) and R16 billion (10 percent of income), respectively.

Over the period January-September, the average worker in the economy committed about R400 of resources to consumption per month; this figure was 8 percent higher in business associations and leased enterprises and 40 percent higher in joint stock companies. These funds grew 1.5-fold over the corresponding period of last year. Half of this growth resulted from the introduction of compensation payments related to the rise of retail prices and rate schedules, but a fourth is related to the execution of decisions made to increase the remuneration of workers in the health service, public education, and culture, and also workers in the heavy sectors of the economy. In addition, many republics have made additional decisions setting higher standards for remuneration than those at the Union level, and this has been reflected in the rise in the effective minimum wage and in the introduction of indexing of wages and other benefits related to the remuneration of labor.

Payments of insurance indemnity and amounts of insurance paid to individuals amounted to R6.5 billion over the period January-September.

Per capita money income in the families of workers and employees over the period January-September of this year amounted to R274 per family member per month, for kolkhoz members it was R198, and the increase over the corresponding period of last year was 1.6-fold.

Available personal money income (not including the income tax and other mandatory payments), adjusted by the consumer price index, dropped 15 percent over the first half of the year from the corresponding period of last year.

Balances of personal accounts in branches of the USSR Savings Bank amounted to R473.2 billion as of 1 October and had increased R91.7 billion in the first nine months, or almost by one-fourth, including R26.2 billion in the first quarter, R14.1 billion in the second quarter, and R51.4 billion in the third quarter (including compensation not exceeding R200 credited to the main account, totaling R30.8 billion). When compensation credited to the special accounts is taken into account, total savings amounted to R598.9 billion.

Cash in the hands of the population as of 1 October amounted to R199 billion (R132 billion as of 1 January of this year). In the third quarter, it increased R50 billion. The reason for this is that the sizable growth of personal money income was not backed up with a corresponding growth of commodity sales.

Cash put into circulation over the period January-September increased in the country 3.6-fold over the corresponding period of last year. About 70 percent of this money was issued in the third quarter.

Indexes of Prices and Rate Schedules

In the third quarter, prices continued to rise in the production and consumption sectors. The index of producer prices (wholesale prices of enterprises) of industrial products was 122 percent from June to September and 264 percent when this September is compared to last September. The price index of consumer goods and services in September was 101.7 percent compared to June. The rise of prices was small because of the seasonal drop in prices of agricultural products. If the drop in prices of potatoes and fruits and vegetables is not included, retail prices and rate schedules for goods and services rose 6.2 percent over the first three months. Compared to September of last year, the index of retail prices and rate schedules was 203 percent.

In industry, the index of wholesale prices of enterprises (not including the turnover tax), given in percentages of the corresponding period of last year, was as follows: 200 percent in the first half of 1991, 239 percent in July, 254 percent in August, 264 percent in September, and 217 percent over the period January-September.

The rise in the overall level of wholesale prices of enterprises was uneven in the third quarter. In July and August, prices increased at 8-10 percent per month, which was largely related to the new wholesale prices adopted in June in the meat, butter and cheese, and dairy industry and the transition to purchases of agricultural raw materials at negotiated prices. In September, the rise of wholesale prices slowed down somewhat; compared to August, prices rose an average of 3-4 percent. In the branches of the fuel industry (petroleum extraction, gas, and coal), prices for all practical purposes did not change during the quarter.

Negotiated prices are having an ever greater impact on the dynamic behavior of prices. Even now, one can track how the influence of the rise of prices in certain sectors is affecting their rise in others. For instance, in the third quarter the 50 percent price increase in nonferrous metallurgy, resulting from the introduction of negotiated prices of the products of the copper and aluminum industries, was reflected in the dynamic behavior of prices of machinebuilding products, above all products of the electrical equipment industry, which has a sizable share of wire and cable. Whereas in the first half of the year prices in the electrical equipment industry rose an average of 1-2 percent per month, in July the price increase was 16 percent over June, and in August and September prices rose another 30 percent. The rise in the prices of the products of metallurgy and electrical equipment in September resulted in a 12-percent rise over August of prices of the products of tractor and agricultural machinebuilding. The transition in June to purchases of wool at negotiated prices was reflected even in July in the price level of the products of its primary processing, and in August and September there were substantial (1.4-1.5-fold) increases in wholesale prices in the woolen and felt industries.

In the first half of this year, the price index at which agricultural products were sold was 156 percent over the corresponding period of last year.

The price increase occurred above all in connection with introduction of new purchase prices of agricultural products and also with the application of negotiated prices to fruit and vegetable products and potatoes in 1990 and 1991. Beginning on 15 June 1991, negotiated prices were introduced for poultry, eggs, wool, and raw hides. Farms were allowed to sell as much as 30 percent of agricultural products at negotiated prices against the amounts envisaged by future contracts, which also tended to increase prices of agricultural products sold.

The overall index of wholesale prices of industrial products produced for agriculture was 183 percent, including a 197 percent increase in June. The gap between price indexes of agricultural products and prices of industrial products and services consumed in agriculture is widening. Whereas in the first quarter the price index of agricultural products was 161 percent and that of industrial products 170 percent, for the first half of the year the corresponding figures were 156 percent and 183 percent.

Freight rate schedules of common carriers rose 38.7 percent in the period January-September as compared to the corresponding period of last year, including 64.8 percent in rail transportation, 24.3 percent in highway transportation, 46.4 percent in pipeline transportation, 1.6 percent in maritime transportation, 23.7 percent in domestic water transportation, and 21 percent in air transportation.

In the consumer sector, the summary index of retail prices and rate schedules of consumer goods and paid services to the public was 170.6 percent over the period January-September as compared to the analogous period of last year, including 173.1 percent for commodities and 153.7 percent for services. Compared to the previous month, the summary price index was 102 percent in May, 100 percent in June, 100.1 percent in July, 100 percent in August, and 101.5 percent in September. In the May-September period, we observed a regular seasonal drop of prices of potatoes, vegetables, and fruit. For instance, prices on the kolkhoz market, which accounts for 70 percent of the sales of these products, dropped 21 percent between July and September; and in state and cooperative trade, prices of potatoes, vegetables, and fruit dropped 40 percent over that period. In state and cooperative trade, prices in September were 2 percent higher than in August (not including potatoes, vegetables, and fruit).

In certain cities, the retail price levels of certain goods in state and cooperative trade vary substantially. For instance, vegetable oil prices in September were R2.30 per kilogram in Volgograd, R2.84 in Kharkov, R3.40-R3.60 in Baku, Minsk, Kiev, Tver, and Odessa, and R4.80 in Vladimir.

In certain regions of the country, prices of potatoes and vegetables in September exceeded the prices in September of last year several times over. For instance, prices of potatoes were five to six times higher in Tula, Kursk, Lipetsk, and Tyumen; seven to nine times higher in Nikolayev, Mogilev, Tashkent, Vitebsk, and Dzhambul; and 10 to 16 times higher in Novgorod, Yaroslavl, Murmansk, and Minsk; the differences for fresh cabbage were five to seven times higher in Ivanovo, St. Petersburg, and Bryansk; eight to nine times higher in Smolensk, Alma-Ata, and Tver; 10 to 17 times higher in Zhitomir, Saratov, Tyumen, and Tambov. The price of spring onions was four and one-half to seven times higher in Kemerovo, Odessa, Omsk, and Kurgan and eight to 10 times higher in Andizhan, Karaganda, and Guryev.

Average prices of the kolkhoz market in September were practically at the same level as in August. Compared to September of last year, the price level of the kolkhoz market was 2.3 times higher. The highest prices were on the markets of Moscow, St. Petersburg, and certain other cities. For instance, in Moscow beef was R41 per kilogram, while in St. Petersburg it was R32.

Over the period January-September of this year, the rise of prices and rate schedules for paid services rendered to the public was 53.7 percent compared to the corresponding period of last year, including a 78.9-percent increase in the third quarter.

When the group of paid services is taken as a whole, over the period January-September the price increases were greatest for sanatorium and health resort and recuperative services, where the main increase occurred in July—2.7 times higher over July of last year. Over the January-September period, prices of tourist and excursion services doubled over the corresponding period of last year, and rate schedules for passenger transportation services increased 1.7 times.

Social and Demographic Processes and Employment of the Population

The growth of adverse trends in demographic processes has been continuing during this year. Compared to the period January-August of last year, the level of the birth rate dropped from 16.8 births per 1,000 inhabitants to 16.6, while the death rate rose correspondingly from 10.3 to 10.7. Natural population growth dropped from 6.5 to 5.9 per 1,000 inhabitants.

The most unfavorable situation is taking shape in the European part of the country. For instance, over the period January-August the drop in natural population growth was 23 percent in Moldova, 43 percent in Belarus, and 55 percent in the RSFSR. In the Ukraine, the number of deaths exceeded the number of births by 11,000. At the same time, the number of births increased 4 percent in Uzbekistan, 5 percent in Tajikistan, and 9 percent in Azerbaijan.

Total employment in all economic activities (including the Baltic states) was 135.7 million persons. The process of redistribution of manpower from the state sector to alternative forms of economic activity has continued:

	January-September			
	1990		1991	
	Millions of Persons	Relative to Total Employment, in %	Millions of Persons	Relative to Total Employment, in %
Total employment	138.2	100.0	135.7	100.0
Breakdown:				
State enterprises and organizations	108.8	78.7	98.9	72.9
Leased enterprises			9.0	6.6
Joint stock companies	3.8	2.7	1.0	0.7
Business associations (concerns and associations)			0.7	0.5
Public organizations (funds)	1.8	1.3	1.8	1.3
Joint ventures	0.1	0.1	0.2	0.2
Kolkhoz-cooperative sector of economy	18.5	13.6	17.6	13.0
Cooperatives in production of goods and services alone	4.0	2.9	3.2	2.4
Sphere of private and individual enterprise (private farms, personal subsidiary farming, self-employment, workers covered by a job contract, etc.)	4.9	3.6	6.5	4.8

Employment is growing fastest in leased enterprises and joint stock companies and business associations: The number of workers in them increased over the corresponding period of last year nearly threefold and has approached 11 million persons.

As of 1 October, there were about 20,000 leased enterprises employing 7.5 million persons operating in industry, construction, trade, and the food service industry, everyday services to the public, and common highway carriers (according to preliminary data). During the first nine months, they had an output worth R160 billion.

The number of unemployed citizens (persons not working because of the seasonal nature of their work, women bringing up children, the elderly, etc.) was about 10 million persons. The number of unemployed (using the criteria of international organizations) is estimated at 2 million persons by USSR State Committee for Statistics.

According to the figures of the state employment security service, at the end of September in the nine republics (not including the Baltic states and the Transcaucasus) there were 972,600 people registered as unemployed and seeking work (at the end of August, their number was 918,900).

In September, 269,200 persons applied to the employment security service, 147,400 were placed in jobs, and 48,300 were removed from the records (gave up the services of the employment security service, moved somewhere else, and so on).

The process of registering unemployed people as unemployed has for all practical purposes only begun. In the RSFSR, the number of unemployed people registered at the end of September was 33,900, or eight percent of the number of persons unemployed and applying for jobs on the labor exchange; in the Ukraine, the corresponding figures were 3,700 and three percent, in Belarus 1,000 and 8.4 percent, and in Kazakhstan 2,000 and 3.3 percent.

According to the figures of a special survey conducted by the RSFSR State Employment Security Service, 50 percent of those applying to this service for jobs were women, 45 percent were blue-collar workers, 15 percent were workers laid off at enterprises and organizations, and more than 10 percent were graduates of schools and vocational and technical schools.

Along with the growing number of unemployed in the country, there still remains a sizable number of job vacancies. According to reports of enterprises and organizations supplying information, at the end of September the shortage of workers was 1.5 million, including 1.4 million blue-collar workers.

The vocational training and retraining of the unemployed, which law has placed on the employment security service, has not begun for all practical purposes. At the end of September, only 845 persons had been sent for vocational training in the RSFSR, 786 in the Ukraine, 107 in Belarus, 298 in Kazakhstan, and 25 in Kyrgyzstan.

The situation is the same with the organization of public-financed jobs for the unemployed. In the RSFSR, the Ukraine, Belarus, and Kazakhstan, there were 2,248 people in such jobs, according to figures as of the end of September.

As of 15 September, there were 710,000 persons in the country who had been forced to leave their places of permanent residence.

In Azerbaijan, there are 239,500 refugees, among them 195,200 Azerbaijanis, and 44,300 Meshed Turks; in Armenia, 236,700 Armenian refugees; and in Russia, 192,500, including 48,600 Meshed Turks, 40,700 Armenians, 6,200 Azerbaijanis, 97,000 other nationalities, including 33,900 russophones; in the Ukraine, there are 17,200, 6,200 of them Armenians, 3,800 Meshed Turks, 1,600 Azerbaijanis, and 5,600 of other nationalities.

There were 70 enterprises on strike in September (50 in the June-August period), 69 of them in the RSFSR; the number of workers taking part in strikes was 3,600, 33,000 man-days were lost (in the period June-August, 73,000). The total amount of worktime losses from strikes exceeded four million man-days in the period January-September.

The Consumer Market and the Service Sector

The situation that has taken shape in 1991 with the output of consumer goods continues to be strained.

Over the first nine months, compared to the corresponding period of last year, food production dropped off 8.3 percent, and even more in Armenia—36 percent, in Georgia—17 percent, in Moldova—16 percent, in Kyrgyzstan and Tajikistan—12 percent, and in the Ukraine—11 percent. The production of various foodstuffs over that period is shown by the following figures (millions of tonnes):

	January-September 1991	
	Actual	Relative to January-September 1990, in %
Meat (industrial output)	6.9	88
Sausage products	2.5	92
Whole-milk products converted to milk	22.4	90
Butter	1.2	87
Edible fish products, including canned fish	3.3	91
Margarine products, thousands of tonnes	825	78
Vegetable oil	2.1	96
Granulated sugar	4.2	83

	January-September 1991	
	Actual	Relative to January-September 1990, in %
Bread and bakery goods	22.8	104
Confections	3.3	91
Flour	26.5	101
Hulled and rolled products	3.2	98
Macaroni products	1.4	106
Canned goods, billions of standard cans	11.7	88
Canned fruits and vegetables alone	8.3	88
Mineral water, millions of dekaliters	93.6	78
Nonalcoholic beverages, millions of dekaliters	344	78

The situation that has come about with food is to be explained above all by the reduction in the flow of agricultural products to food processing enterprises in the sector and failure to perform contractual obligations in the delivery of raw materials.

The growth in the output of alcoholic beverages, converted to absolute alcohol, was 3.6 percent compared to January-September of last year. Here, the production of vodka and other hard liquors rose 11 percent. The output of cognac was off 21 percent, grape wine 12 percent, champagne 3 percent, and beer 2 percent.

The production of tobacco products dropped 5 percent from the first nine months of last year.

The situation remains tense with the supply of goods of light industry to the population. Their output dropped 8 percent from the first nine months of last year.

The output of durable consumer goods and housewares was 3.7 percent higher than in the period January-September of last year. This is related to the increase in the production of a number of household appliances, primarily in the defense branches of industry. At the same time, in recent months, mainly because necessary components were not delivered, there has been a drop in the production of certain types of sophisticated household appliances which showed a sizable growth at the beginning of the year.

Enterprises in practically all the republics are cutting back the production of the simplest goods people use every day, such as synthetic detergents and toilet and laundry soap. The drop in the production of pencils, school notebooks, blades for safety razors, certain types of metal cooking utensils, and cigarettes of all kinds, paints and varnishes, and so on, has not been overcome.

The production of certain consumer goods is shown below:

	January-September 1991	
	Actual	Relative to January-September 1990, in %
Television sets, millions	7.1	97.0
Color sets alone	4.8	97.0
Refrigerators and freezers, millions	4.6	99.0
Radios, millions	5.6	99.2
Portable and nonportable cassette combinations alone	1.0	124.0
Tape recorders, millions	4.7	107.0
VCR's, thousands	204.0	65.0
Sewing machines, thousands	1194.0	92.0
"Zigzag"-type alone	778.0	102.0
Washing machines, millions	5.5	103.0
Vacuum cleaners, millions	4.3	106.0
Electric meat grinders, thousands	661.0	134.0
Electric mixers, thousands	2013.0	124.0
Electric irons, millions	10.7	90.0
Electric teapots, millions	2.3	79.0
Bicycles (not including children's bicycles), millions	4.0	98.0
Motorcycles, thousands	723.0	97.0
Automobiles, thousands	881.0	93.0
Matches, millions of standard boxes	13.9	99.9
Wallpaper, millions of standard pieces	425.0	109.0
School notebooks, billions	3.1	89.0
Wood pencils, millions	318.0	49.0
Safety razor blades, millions	1062.0	95.0
Galvanic and nickel-cadmium cylindrical batteries, storage batteries with a capacity of 10 A/hr, millions	479.0	83.0
Garden huts, including assembly kits, log cabins, and farm building sections, thousands	89.5	86.0
Synthetic detergents in small packages, thousands of tonnes	728.0	85.0
Laundry soap, thousands of tonnes	411.0	80.0
Toilet soap, thousands of tonnes	174.0	79.0
Toothpaste, millions of standard tubes	391.0	111.0
Fabrics—total, millions of m^2	8170.0	89.0
Breakdown:		

	January-September 1991	
	Actual	Relative to January-September 1990, in %
Cotton	5242.0	93.0
Silk	1349.0	88.0
Wool	424.0	85.0
Knitwear, millions of pieces	1133.0	86.0
For children alone	633.0	82.0
Hosiery, millions of pairs	1251.0	85.0
For children alone	490.0	89.0
Children's panty hose alone	157.0	85.0
Men's stockings	456.0	90.0
Women's panty hose	169.0	75.0
Footwear, millions of pairs	509.0	90.0
Children's alone	228.0	89.0

The April price reform made it possible to suppress the wave of speculative demand only for a time: In April, the volume of commodity sales in comparable prices dropped off 31 percent compared to April of last year. Later, the rate of decline of commodity sales in comparable prices slowed down, and commodity sales this September were 10.7 percent below the corresponding period of last year. The manifestations of speculative demand began once again (especially on the market for foodstuffs).

For the first nine months as a whole, the volume of retail commodity sales was R481.4 billion, which exceeded the level of the corresponding period of last year by R162 billion (50.7 percent in actual prices). But in comparable prices commodity sales were 11.7 percent below last year's.

Sales of particular consumer goods in state and cooperative trade over the January-September period are reflected in the data below (in comparable prices):

	Relative to the Corresponding Period of 1990, in %	
	January-September 1991	Third Quarter of 1991
Meat and meat products	88	91
Fish and fish product	78	75
Butter	83	90
Vegetable oil	90	84
Margarine products	75	60
Whole-milk products	98	90
Cheese	84	85
Eggs	87	93
Sugar	85	75
Confections	86	81
Tea	85	78
Bread and rolls	95	94
Potatoes	82	67
Vegetables	82	77
Fruit, including citrus	91	81
Alcoholic beverages	100	105
Tobacco products	98	115
Fabrics	55	52
Clothing, underwear	75	65
Knitwear	71	68
Hosiery	63	59
Leather footwear	66	63
Soap and synthetic detergents	77	73
Porcelain, earthenware, majolica, and glass dishware	77	58
Furniture	67	55
Radios	85	88
Television sets	84	94
Refrigerators and freezers	84	86
Washing machines	101	103
Vacuum cleaners	96	91
Tape recorders	93	104
Bicycles and mopeds	91	97
Motorcycles and motor scooters	79	87
Automobiles from current production	91	77
Timepieces	111	116
Cameras	107	107
Sporting goods (exclusive of clothing and footwear)	95	95

The situation has become critical on the market for foodstuffs, especially with the products of animal husbandry.

Disruptions of interregional exchange of these products are making the situation on the market acute. Obligations to deliver meat products to the all-union stock were fulfilled on the whole at 97 percent, for dairy products fulfillment was 95 percent, and for egg products 86 percent.

Compared to January-September of last year, the delivery of meat products to the all-Union fund was down 10 percent. The decline occurred in all republics except the RSFSR.

Fulfillment of the plan for delivery of meat products to Moscow was 89 percent, to Moscow Oblast, Turkmenistan, and Azerbaijan 83-86 percent, to Uzbekistan 64 percent, to Georgia 47 percent, to Tajikistan 52 percent, and to Armenia 41 percent.

There is a still greater strain on delivery of dairy products to the all-Union stock. The level of deliveries compared to January-September of last year was 66 percent. The Ukraine cut back deliveries to 45 percent and Moldova to 46 percent.

Compared to the first nine months of last year, egg deliveries to the all-Union stock were down 9 percent, and the Ukraine cut back deliveries by approximately one-fourth.

The decline in interrepublic deliveries of sugar, confections, tea, and margarine products in the January-August period, compared to the corresponding period of last year, ranged from 1.3 to 2.7 times. The supplier-republics have fulfilled the delivery plan since the beginning of the year at 46 percent for margarine products, 40 percent for sugar, 78 percent for confections, and 86 percent for tea. The shortfall in delivery of sugar (through interrepublic relations), compared to the January-August plan, was 1.6 million tonnes, 1.3 million tonnes of which were accounted for by the Ukraine. This complicated the situation with sugar sales in the extreme. According to the data of a sample survey, in September inhabitants of all republics except the Ukraine and Moldova experienced difficulties in obtaining sugar even with coupons.

The situation is not improving with sales of vegetable fats. Vegetable oil and margarine were not available for sale in September in more than a third of the cities surveyed.

Flour, hulled and rolled products, and macaroni products are in very great demand. According to the figures of the survey conducted, in September there was no flour in the stores or it was sold intermittently in more than 80 percent of the cities, and the figures were 69-97 percent for hulled and rolled semolina, oats, buckwheat, and peas. In a number of regions, there were interruptions in bread sales.

There is an increasing strain on the supply of potatoes and fruit and vegetables to the public.

Nor is the situation improving on the market for nonfood items. The situation has come to be most unfavorable with the products of light industry. The clothing and footwear market is characterized by insufficient size of deliveries and restricted assortment of the products arriving. After prices were raised, sales of expensive articles with poor performance characteristics slowed down in spite of shortages.

Because of the shortage of television sets and radios, household appliances, and other technically sophisticated products with high performance characteristics, various forms of regulated sales are still in effect.

The shortage of timber and lumber and building materials has become still more acute this year. According to information obtained from the field, in September cement, slate, plate glass, and lumber were not available for sale (either free or regulated) in at least 80 percent of the cities surveyed.

In the country as a whole, there were 711 state commercial stores in operation as of 1 July of this year, as against 252 at the beginning of the year.

A broad range of nonfood commodities and also certain types of foodstuffs, for example, canned meat and fish products, confections, hulled and rolled products and peas and beans, and fruit and berries, are now being sold at commercial prices.

The largest share in the total volume of sales of this group of products goes to sales at commercial prices of tobacco products (5.4 percent), alcoholic beverages and fabrics (each 4.8 percent), perfumery and cosmetics and porcelain and earthenware dishes (each 2.7 percent), while sales of other product groups at commercial prices have a substantially smaller share.

Prices of goods sold through commercial stores average three to four times higher than state retail prices and are accordingly accessible to a restricted group of customers who have income exceeding many times over the level of the average wage in the economy. Commercial prices of certain goods in certain regions are substantially higher even than that. For example, in Sukhumi a woman's pullover costs R2,000 while the state retail price for a similar product is R250; a knitted woman's suit costs R2,500, as compared to R400. In Guryev, the commercial price of a man's pullover is more than six times higher than the state retail price. The prices of commercial trade have now come practically even with the prices of the "black" market.

The volume of sales of paid services was R64.7 billion, which is 18.8 percent below the level of the first nine months of 1990 (in comparable prices).

Everyday services, which over the period January-September were rendered in a 29.7 percent smaller volume (in comparable prices) than in the corresponding period of 1990, have a share of more than 27 percent in paid services.

The drop in the volume of everyday services has to a certain degree been brought about because customers are dropping out of the service sector because of the high prices of certain services when there has been practically no improvement in their quality, and also because the supply of replacement parts and components to workshops has been extremely unsatisfactory, and it has accordingly been impossible to obtain the necessary services.

The volume of retail sales of commodities and paid services, including small sales to organizations at wholesale prices and the turnover of nonfood items in commission stores, amounted to R504 billion, which is 47 percent (in actual prices) more than in January-September of last year, while personal money income rose 75 percent over that period (exclusive of mandatory payments and voluntary contributions).

Industry

September brought practically no essential changes in the trend formed earlier in the dynamic behavior of industry. The change in the volume of production over the first nine months of 1991 is reflected in the following figures (relative to the corresponding period of last year, in percentage; in comparable prices):

	Total Volume	Average Daily Production
January-March	95.0	96.6
January-June	93.8	95.0
January-August	93.6	94.5
September	93.8	91.5
January-September	93.6	94.2

The drop in industrial production was related above all to the decrease in the volume of output of products for production and technical purposes—products in Group A, which was down 7.5 percent for the first nine months. Production of products in Group B was down 3.5 percent over the same period.

The decline of industrial output was greater than in the industrial sector as a whole in a number of fuel and raw materials branches (11 percent for the coal industry and 9 percent for petroleum extraction), in civilian machine-building, in the timber and lumber, woodworking, and pulp and paper industry, and in the food industry (between 8 and 10 percent).

According to an estimate in current prices, the total volume of output was 203 percent compared to the level for January-September of last year, while the index of wholesale prices over that period was 217 percent.

In September, there was a substantial deterioration of contract discipline. In that month alone, the volume of products not delivered to consumers grew by R8 billion, which is 2.7-fold more than the monthly average over the period January-August, and amounted to R31.6 billion over the nine months. Long-term delivery obligations were not performed by 19 percent of the enterprises. This figure is high in the fuel and raw materials branches (65 percent in the coal industry, 50 percent in metallurgy), in the chemical and petrochemical industry (61 percent), and in the timber and lumber, woodworking, and pulp and paper industry (53 percent).

Because of the disruption of business ties and disintegration of delivery infrastructure, this year there have continued to be numerous shutdowns of enterprises and individual production operations because supplies were lacking. In the average month, this was the reason for shutdowns (lasting a shift or more) of about 1,000 industrial enterprises. Total worktime losses on this basis have amounted to about 16 million man-days since the beginning of the year, and the losses in output represent about R4.5 billion.

Fuel and Electric Power Industries

	January-September 1991	
	Actual	Relative to January-September 1990, in %
Electric power, billions of kwh	1200	98.0
Petroleum (including gas condensate), millions of tonnes	391	90.0
Gas, billions of m^3	603	100.1
Coal, millions of tonnes	471	89.0
Coking coal	115	80.0

According to operating results over the period January-September of this year, extraction of petroleum, including gas condensate, was down 41.6 million tonnes. Coal mining was off 57.4 million tonnes, including a drop of 29.1 million tonnes for coking coal.

As of 1 October, total stocks of coking coal fit for use in the national economy amounted to two million tonnes. This is a sufficient volume for metallurgy to operate six days, four of those days represented by coal concentrated at coal enterprises and only two days by coal that is actually at metallurgical enterprises.

Gas extraction remains at practically the same level of the corresponding period of last year, which does not offset the drop in extraction of petroleum and the mining of coal in the country's fuel and energy balance.

The problematical situation in the petroleum and gas industry has been affected to a considerable degree by the practically universal lag in activation of new production capacities because of the sharp reduction of financial and material and technical resources committed to the development of those branches.

The shortage of crude petroleum is even today having an adverse effect on the volume of primary refining, which is off three percent, and as a consequence the output of the principal types of motor fuel—motor gasoline and diesel fuel, as well as export deliveries of crude petroleum.

Operation of the coal mining industry has been adversely affected by interruptions in the supply of materials and equipment to the branch, by the shortage of transportation equipment to meet the needs of the coal industry, and by the lag in performance of preparatory workings and creation of cuts for removal of the coal. Strikes have had a particular impact on the operation of the branch.

The deterioration of the supply of principal fuels has affected the output of electric power. Over the period January-September, electric power output was off two percent from the corresponding period of last year, including a three percent drop for thermal electric power plants, which account for 74 percent of the country's electric power production.

The drop in the output of electric power occurred in all republics with the exception of Azerbaijan, Kyrgyzstan, and Turkmenia. The decline in the production and consumption of electric power was caused by declining production in sectors of the national economy and also by the deterioration of the fuel supply in certain regions.

Metallurgical enterprises experienced unstable operation because of the high degree of wear of their principal units, the lag of capital construction, and the deterioration of material and technical supply. The output of their principal products decreased as follows:

	January-September 1991	
	Actual	Relative to January-September 1990, in %
Steel, millions of tonnes	102.0	88
Rolled products of ferrous metals (finished), millions of tonnes	74.0	88
Steel pipe, millions of tonnes	13.2	90
Iron ore, millions of tonnes	155.0	87
Coke, 6% moisture, millions of tonnes	50.3	85

In September, certain blast furnaces were shut down because of the lack of coke in the Nizhniy Tagil, Magnitogorsk, "Krivorozhstal," "Zaporozhstal," "Azovstal," and Kommunarsk Metallurgical Combines and other enterprises. Practically all steel-making shops of metallurgical enterprises experienced unstable operation because of the shortage of scrap.

Finished rolled products production is 12 percent less than in January-September of last year, and of steel pipes is 10 percent less. In nonferrous metallurgy the production of aluminum, magnesium and magnesium alloys, purified copper, nickel, lead, and zinc is decreasing.

In the RSFSR, the output of finished rolled products was off 12 percent and steel pipe 9 percent; in the Ukraine the corresponding figures were 13 percent and 12 percent.

At the same time, beginning in August a certain stabilization was noted in the average daily production of finished rolled products. In August and September, it remained at practically the level of July.

Over the period January-September, given the disruption of long-term economic ties and the deterioration of material and technical supply to the branch, and above all because of the drop in the output of metal, production of the most important products of machinebuilding continued to drop.

The decline in the production of particular products of machinebuilding is evident from the table below:

	January-September 1991	
	Actual	Relative to January-September 1990, in %
Metal-cutting machines tools, thousands	101.0	93
With numeric programmed control alone	13.4	79
Forges and presses, thousands	29.9	93
AC electric motors, millions	5.1	85
Motor vehicles, thousands	1434.0	91
Breakdown:		
Trucks	503.0	87
Buses	49.8	97
Tractors, thousands	330.0	88
Grain-harvesting combines, thousands	43.8	89
Feed-harvesting combines, thousands	19.5	84
Excavators, thousands	25.5	94

While there was an overall decrease in the production of motor vehicles, the output of "Tavriya" automobiles increased 41 percent and that of small buses by the Pavlovsk Motor Vehicle Plant 18 percent, while the output of front wheel-drive "Moskvich" automobiles did not drop.

The drop in the output of machinebuilding products has been having an ever greater impact on satisfaction of the needs for machines and equipment. Compared to the corresponding period of last year, the economy has been receiving considerably less construction and road-building equipment, metal-manufacturing equipment, agricultural machines, and railroad rolling stock. For instance, the machinebuilders have delivered almost one-fourth fewer diesel road locomotives (234 sections fewer), excavators (7,700 fewer), and bulldozers (6,200 fewer), and deliveries of metal-cutting machine tools are down 18 percent (16,000 units). The USSR Ministry of Railways has received 3,800 fewer freight cars.

The figures on production of the most important products of the chemical and petrochemical industry are given below:

	January-September 1991	
	Actual	Relative to January-September 1990, in %
Manufactured fertilizers (converted to 100% nutrients), millions of tonnes	21.6	92.0

	January-September 1991	
	Actual	Relative to January-September 1990, in %
Sulfuric acid, millions of tonnes	17.7	90.0
Soda ash, millions of tonnes	3.1	91.0
Caustic soda, millions of tonnes	2.1	93.0
Man-made fibers and filaments, thousands of tonnes	910.0	84.0
Synthetic resins and plastics, millions of tonnes	3.7	92.0
Thermoplastic pipe and pipe fittings, thousands of tonnes	103.0	82.0
Truck tires, millions	17.6	89.0
Automobile tires, millions	18.9	100.5

Production of the branch's principal products is continuing to drop. Whereas in the first quarter sulfuric acid production was down nine percent over the corresponding period of last year, in the third quarter the lag increased to 15 percent; the same figures for caustic soda were from three percent to nine percent. For the first nine months as a whole, the output of sulfuric acid was down 10 percent and that of caustic soda down seven percent. There was also a drop in the production of synthetic ammonia (four percent) and soda ash (nine percent).

The drop in deliveries of raw materials to the manufacturing segments of the chemical industry has been having an extremely adverse effect on the output of the branch's finished products. Production is down for the most important structural plastics: polypropylene (23 percent), polystyrene and styrene copolymers (9 percent), and polyethylene (4 percent). The shortage of these products is causing a disruption in a number of related branches, above all in the production of thermoplastic pipe, which is off 18 percent (23,000 tonnes).

Because of the lack of raw materials, there has been a drop in the output of manufactured fertilizers (eight percent), man-made fibers and filaments (16 percent), truck tires (11 percent), and agricultural machines (nine percent).

The drop in production of manufactured fertilizers was greater in Belarus [Belorussia] (14 percent), that of man-made fibers and filaments in the RSFSR (22 percent) and the Ukraine (20 percent), that of truck tires in Belarus (30 percent), and that of agricultural machines in Azerbaijan (23 percent).

The operation of the timber and lumber, woodworking, and pulp and paper industry has been extremely unstable for a long time now, and the output of wood and paper products has been lagging considerably behind the needs of the economy. The trade sector is experiencing an acute shortage of timber and lumber, only slightly more than one-fourth of the needs of trade organizations is being met. According to the results for the first nine months, the volume of production of commercial timber was off 23 million m^3 from the corresponding period of last year, the output of lumber was off 6.7 million m^3, and pulp output was off 430,000 tonnes. There has been a drop in the output of wood panels and paper. Figures on the production of the principal products of the branch are as follows:

	January-September 1991	
	Actual	Relative to January-September 1990, in %
Commercial timber (excluding timbering by kolkhozes), millions of stacked m^3	163.0	87
Lumber (excluding output of subsidiary enterprises of nonindustrial organizations), millions of m^3	41.8	86
Paper, millions of tonnes	4.0	92
Newsprint alone, billions of m^2	24.8	90
Cardboard, millions of tonnes	2.6	85

The production of the most important building materials is reflected in the following figures:

	January-September 1991	
	Actual	Relative to January-September 1990, in %
Cement, millions of tonnes	93.2	93.0
Asbestos-cement sheets (shingles), billions of standard sheets	6.6	100.1
Asbestos-cement pipe and couplings, thousands of kilometers of standard pipe	60.1	98.0
Soft roofing materials and insulation, millions of m^2	1219.0	90.0
Plate glass, millions of m^2	150.0	97.0

The situation that has come about in the building materials industry was caused by a drop in the production of the principal raw material of the building industry—cement (a drop of 6.5 million tonnes in the first nine months compared to the corresponding period of last year).

Agro-Industrial Complex

Fieldwork is being completed in agricultural enterprises. At the same time, the harvest of grain crops, potatoes, vegetables, sugar beets, and sunflowers has not yet been brought in over sizable areas. By the beginning of October, in the country as a whole, potatoes had not been harvested on an area of 305,000 hectares (18 percent of the area planted), vegetables over an area of 429,000 hectares (47 percent), and sugar beets on 1.6

million hectares (52 percent). Sunflowers had been harvested on an area of 1.5 million hectares out of the 4.5 million hectares planted. On the whole, grain and pea and bean crops (excluding corn) have been mowed over an area of 91.6 million hectares (92 percent of the area planted). Most of the unharvested areas of potatoes are in the RSFSR, the Ukraine, and Belarus; in the case of vegetables, they are in the RSFSR, the Ukraine, Kazakhstan, and Uzbekistan, and in the case of sugar beets they are in the RSFSR and the Ukraine.

The average grain yield per hectare this year is 26 percent below that of last year (last year the yield was 22 quintals, and this year it is 16.2). It is estimated that the gross grain harvest in the country will be on the order of approximately 160 million tonnes (weight before processing), or 25 percent below last year's. State orders for grain purchases had been fulfilled at 47 percent as of 7 October. In all, 35.9 million tonnes of grain had been purchased, which is 41 percent less than had been purchased by that time last year. The percentage of fulfillment of the state order for grain purchases was low in Kazakhstan—19 percent, Tajikistan—34 percent, and the RSFSR—48 percent. By comparison with last year, many republics have substantially cut back the share of grain sold to the state in the total volume of production. The volume of purchases of vegetables and potatoes are down. As of 7 October, 7.9 million tonnes of vegetables had been purchased, which is 1.8 million tonnes, or 19 percent, less than of that date last year. By 23 September, 40 percent of futures contracts had been fulfilled. Purchases of watermelons and cantaloupes amounted to 1.306 million tonnes, as against 1.539 million tonnes last year. Fruit and berry crops sold to the state amounted to 1.382 million tonnes, grapes—2.096 million tonnes; these figures are below those for last year by 975,000 and 822,000 tonnes, respectively. Futures contracts for the purchase of fruit and berries in the country as a whole were fulfilled at 28 percent, and grapes at 26 percent. The average yield of potatoes on the area that has been dug is 99 quintals per hectare (which is 8 quintals less than last year). By 7 October, 5.4 million tonnes of potatoes had been purchased, which is 700,000 tonnes, or 12 percent, less than of that date last year. Sugar beet purchases amount to 30.3 million tonnes, as against 31.7 million tonnes as of that date last year.

Agricultural enterprises are completing the planting of winter crops and are preparing the soil for next year's crops. In the country as a whole, by mid-September winter crops had been planted over an area of 24.7 million hectares, which is 5.6 million hectares more than of this date last year; 40.4 million hectares of fall plowing has been done, which is 16.7 million hectares more than last year.

Indicators have worsened in animal husbandry. In the first nine months, kolkhozes, sovkhozes, and interfarm enterprises produced 13.4 million tonnes of meat (live weight), 59.3 million tonnes of milk, and 41 billion eggs. This is down from production for the same period of last year as follows: 11 percent for meat, 10 percent for milk, and four percent for eggs. This drop in the volume of production of the products of animal husbandry occurred in practically all republics. The drop in the volume of purchases of animal products is shown by the figures in the following table:

	Purchases Over the Period January-September		
	1990	1991	1991/1990, in %
Livestock and poultry (live weight), millions of tonnes	14.8	13.1	88
Milk, millions of tonnes	59.1	51.7	87
Eggs, billions	38.3	35.1	92

Futures contracts for purchases of livestock and poultry concluded for 1991 were fulfilled at a level of 74 percent in the first nine months, those for milk at 78 percent, and those for eggs at 90 percent.

The situation has not improved with the gathering of feed for the coming fall and winter period when livestock are kept in stables. As of 16 September, the amount of coarse feed put by was down 12 percent from this date last year, hay—7 percent, straw—7 percent, and silage—15 percent. The amount of feed grain fed to animals from the farm's own production was down 23 percent from last year.

In the socialized sector, feed storage per standard head of livestock contained 11.1 quintals of feed units, as against 12.4 quintals last year. Because of the strained situation with animal feed for the coming winter, agricultural enterprises have cut back the number of livestock, and this is noted in most regions of the country.

Contractual obligations have not been met for delivery to the agroindustrial complex of grain-cleaning machines, heavy-duty and light sprinklers, milking machines, and a number of other pieces of agricultural equipment, and the same is true of manufactured fertilizers and liming materials.

Capital Construction

The manifestation of crisis that had accumulated by the beginning of 1991 in the investment sphere has intensified still more as the year has proceeded. Construction of all-Union projects has become unmanageable, in practical terms the resources are lacking to build them, and the shortage of materials and equipment has become acute. While R37.8 billion had been envisaged to finance the construction program for the year from the all-Union fund for stabilization of the economy, as of 1 October only R15.9 billion had been committed to those purposes.

The situation in the investment sphere has been compounded still more by the fact that as of 1 January negotiated prices were introduced on the resources consumed, whereas the construction program had already been drawn up on the basis of fixed estimate prices. Because of the sharp rise in the cost of construction, in 1991 the limited nature of financial resources that could be invested in development and modernization of production and in the construction of social and cultural service facilities was added to the existing shortage of supplies and equipment. As a consequence, there was a very rapid shrinking of the ability to complete the 1991 program on time, and the available "scant" investment resources were scattered over construction sites and projects.

During the first nine months, only three of 329 all-Union projects to be activated this year were delivered for operation at full capacity.

A similar situation has come about with the construction and activation of all-Union projects carried over from last year: Of 99 projects, only nine were delivered between January and September, and the annual limit-allowances of capital investments and construction and installation work on projects not activated were utilized at levels of 46 percent and 44 percent, respectively. At the same time, activation deadlines were not met during the first nine months for 30 projects, 19 of them located in the RSFSR, four in the Ukraine, two each in Tajikistan and Turkmenistan, and one each in Uzbekistan, Kazakhstan, and Azerbaijan.

Projects near completion with capacities for production of import substitutes are being built with a considerable lag. It is possible that activation of capacities for the mining and processing of tungsten-molybdenum ore will not be achieved this year at the Tyrnyauz Combine (Kabardino-Balkar ASSR), for the processing of lead-zinc ore in the production association "Dalpolimetall," for the production of electrolytic copper foil at the combine "Uralelektromed," for "Spandex" filaments at the "Khimvolokno" Production Association in Volzhsk, soda ash in the Slavyansk "Khimprom" Production Association (Donetsk Oblast), pulp in the Syktyvkar timber industry complex, and paper and parchment in the "Kondrovobumprom" Production Association.

Activation of projects for the production of nonfood consumer goods is also in jeopardy. Capacities were supposed to be activated by the end of the year for production of 31 million m^2 of texturized materials (including 30 million in Kyrgyzstan), 1,200 tonnes of knitted fabric (in Belarus), 51 million pairs of hosiery (including 50 million in Kazakhstan), 90 million pieces of knitwear (including 34 million in the RSFSR, 25 million in Uzbekistan, 16 million in Belarus, 10 million in Armenia), 27 million pairs of footwear (including 10 million in the RSFSR, 5 million in Kazakhstan, 3.5 million in Armenia, and 3.4 million in the Ukraine). Sewn garments worth R27 million (including R12 million in Armenia, R7 million in the RSFSR, R3.8 million in the Ukraine, and R3.2 million in Tajikistan).

To fulfill the program adopted in the food processing branches, it will be necessary in the fourth quarter to activate 93 percent of the capacity for meat production, 90 percent for whole-milk products, 96 percent for cheese, 92 percent for powdered skim milk, whole-milk substitutes, and dried whey, and 98 percent of the capacity for the production of granulated sugar.

Failure is practically predetermined in activation of capacities using entirely imported equipment for the manufacture of 3,000 tonnes of crackers per year at the "Shchuchanskiy" City Food Combine in Kurgan Oblast (Germany is the equipment supplier), whose technical readiness is 20 percent, at the confectionery factory in Magnitogorsk in Chelyabinsk Oblast (the supplier is Germany), where readiness is 44 percent, in the production of 5,000 tonnes of bag lunches at the Vitebsk Food Combine (the supplier is Great Britain)—29 percent, in the production of 40 tonnes per shift of sausage products, 10 tonnes per shift of intermediate products, and a refrigerator with a capacity of 100 tonnes at the meat-packing plant in Novosibirsk (Germany is the supplier)—68 percent, and for the slaughtering and processing of livestock with a productivity of 5 tonnes of meat per shift on the "Zarya" Agrofarm in Rovno Oblast (Germany is the supplier), where technical readiness is 15 percent.

Over the first nine months, state enterprises and organizations built housing with 36.1 million m^2 of total floor space, public schools to accommodate 574,000 pupils, preschool institutions with a capacity of 137,000, hospitals with 14,000 beds, polyclinics to handle 59,000 visits per shift, and club institutions with a capacity of 44,000 from centralized capital investments in the resources of enterprises and organizations.

The drop that has occurred over the last two years in the rate of construction of facilities in the social sector is continuing at the present time as well. Compared to January-September of last year, the activation of housing is off 18 percent, and activation is only 67 percent of what was activated in the January-September period of 1988; these figures are 20 percent and 48 percent for schools, 22 percent and 54 percent for preschool institutions, 20 percent and 59 percent for hospitals, eight percent and 90 percent for polyclinics, and 19 percent and 63 percent for clubs and culture centers.

During this year, there has been an increase in the share of housing and polyclinics activated from the "own" resources of enterprises and organizations, with shares of 55 percent and 26 percent, respectively, as against 53 percent and 23 percent in 1990.

Activation of housing and social and cultural service facilities has dropped off in most republics. There was an increase in activation of housing only in Belarus and Armenia; schools only in Armenia; preschool institutions in Uzbekistan, Tajikistan, Armenia, Azerbaijan, and Turkmenia; hospitals in Belarus, Armenia, and

Turkmenia; polyclinics in the Ukraine, Belarus, Uzbekistan, Armenia, Kazakhstan, and Azerbaijan; and clubs and culture centers in Belarus, Georgia, Armenia, and Turkmenia.

Of the total activation by state enterprises and organizations, activation in rural localities included housing with 6 million m^2 of floor space, or 17 percent, schools to accommodate 157,000 pupils, or 27 percent, preschool institutions with a capacity of 41,000, or 30 percent, hospitals with 3,000 beds, or 20 percent, polyclinics with a capacity of 7,000 visits per shift, or 11 percent, and club institutions with a capacity of 34,000, or 77 percent.

During the first nine months, state centralized capital investments and resources of enterprises and organizations were used to build boarding institutions for the elderly and disabled persons with a capacity of 2,900, which is 400 places, or 17 percent, more than in the corresponding period of 1990. These institutions were activated in the RSFSR, the Ukraine, Belarus, Kyrgyzstan, and Kazakhstan.

The gap is widening between the resources invested and the fixed capital activated. Over the first nine months, the difference was R75 billion, which indicates an increase of unfinished construction by practically that same amount. Activation of fixed capital per ruble of capital investments was 56 kopeks or 12 percent less than in the corresponding period of last year. On the basis of the activation anticipated in 1991 for state enterprises and organizations, which was R190-200 billion, and assimilation of capital investments of R265 billion, the growth of unfinished construction during this year could be R55-65 billion.

Transportation and Communications

Freight shipment by common carriers is indicated by the figures below:

	January-September 1991	
	Millions of tonnes	Relative to January-September 1990, in %
Transportation—all branches	8321.4	92.3
Breakdown:		
Rail	2615.6	91.8
Highway	4182.4	92.3
Pipeline	875.4	95.4
Maritime	134.1	91.1
Inland water	512.0	90.5
Air	1.9	85.7

In September, by comparison to the same period of last year, freight shipment by all branches of transportation was down 7.4 percent, and in the third quarter it was down 6.7 percent.

The drop in freight traffic was caused by the drop in production in the principal freight-shipping sectors of the economy, by the severing of established economic ties between many enterprises, branches, and regions, and by shortcomings in the way the operation of transportation is organized.

In rail transportation, freight shipment in the January-September period was down from the same period of last year for all 10 groups of the most important types of freight.

At the end of August, the amount of freight ready for rail shipment and located at railside loading points of enterprises and stations was 12.8 percent below the same date of last year and amounted to 51.4 million tonnes.

In maritime ports at the end of September, there were 4.7 million tonnes of cargo that had not been carried by maritime vessels, 3.9 million tonnes of this for export (as of the same date in 1990, the figures were 5.1 and 3.7 million tonnes). A large amount of export cargo was in the ports of Ilichevsk (424,000 tonnes), Mariupol (375,000 tonnes), Vostochnyy (349,000 tonnes), and Poti (276,000 tonnes).

At the end of September, there were 1.3 million tonnes of cargo waiting to be carried by river and lake vessels in the ports of inland water transportation, about 1 million tonnes of this in the RSFSR.

Passenger transportation by common carriers had a volume of 34.8 billion persons in the January-September period, which is 11.4 percent fewer than in the same period of last year.

Passenger turnover was down 8.1 percent: The drop was 11.2 percent in rail transportation, 6 percent in bus transportation, and 6.5 percent for air transportation.

Passenger traffic was down 8 percent in September from September of last year: The drop in rail transportation was 9.4 percent, in bus transportation it was 6.1 percent, and in air transportation it was 7.6 percent.

The drop in the volume of passenger traffic occurred mainly because of the substantial rise of passenger fares and baggage charges.

The quality of passenger transportation service remains unsatisfactory. In the January-August period, 73,600 trains were late (not including suburban trains), or 15 percent of all arrivals (for the corresponding period of 1990, the figure was 81,300, or 16.5 percent). There were 206,000 airplanes whose flights were canceled, trips were interrupted, or arrived late at their destination, which is 16.1 percent of the total (over the same period of 1990, the figures were 208,900 and 14.7 percent). Average lateness was 1.4 hours for trains and 3.9 hours for airplanes (over the January-August period of last year, these figures were 1.3 and 3.7 hours, respectively).

The number of deaths in traffic accidents on highways and streets in the period January-August, compared to the corresponding period of last year, was down 3.8 percent and amounted to 35,800 persons, including 7.6 percent and 6,700 persons blamed on drunk drivers. The number of deaths attributed to drunk drivers, compared to the corresponding period of last year, increased in Kyrgyzstan (by 13.5 percent), Georgia (8.7 percent), Belarus (7.1 percent), and Kazakhstan (4.3 percent).

Enterprises operating as common carriers in communications rendered services to the public worth R4.1 billion over the period January-September, or 7.3 percent more (in comparable prices) than in the corresponding period of last year.

Foreign Economic Activity

The volume of foreign trade operations of the USSR over the period January-September amounted to R112.6 billion foreign exchange (at the commercial exchange rate), which is R69.4 billion, or 38.1 percent, less than over the corresponding period of last year. Exports over the first nine months were down 30.3 percent (they amounted to R59.9 billion), imports were down 45.2 percent (they amounted to R52.7 billion).

The restriction on the volume of purchases abroad made it possible to balance export and import operations with a surplus of R7.2 billion foreign exchange because of the drop in exports (over the period January-September of last year, there was a deficit of R10.1 billion foreign exchange).

A further decrease is being observed in trade operations with countries belonging to CEMA. Over the period January-September, goods worth R13.8 billion were exported to those countries (56.8 percent less than in the January-September period of last year), while R14.7 billion worth of goods were imported (a drop of 60 percent). The trade balance with those countries was negative by R900,000 foreign exchange.

All-Union export quotas for 1991 are being fulfilled with a lag for slate, metallurgical coke, rolled products of ferrous metals, pulp, coal, pig iron, ammonia, lumber, cardboard, and other commodities.

The decline in industrial output in the coal, petroleum, lumber and sawmill industry, and ferrous metallurgy is putting a strain on export deliveries. In the period January-September, compared to the corresponding period of last year, exports were down 48 million tonnes for crude petroleum, 8 million tonnes for petroleum products, 18 million tonnes for bituminous or better coal, 2 million tonnes for cast iron, 7 million m^3 of rough and dressed lumber, and 144,000 tonnes of cotton fiber.

The drop in sales of petroleum, petroleum products, coal, lumber, and other commodities is aggravating the country's foreign exchange situation.

Over the period January-September, the inflow of convertible currency was slightly more than 60 percent of the annual volume envisaged by the schedule of foreign exchange inflow in 1991.

The reduction of imports because of the lack of foreign exchange is complicating the situation in light industry and the food industry because of the drop in purchases of raw materials and supplies abroad. There is a drop in the inflow of consumer goods. Over the period January-September 1991, compared to the corresponding period of last year, grain imports were down three million tonnes, coffee imports—13,000 tonnes, cocoa beans and cocoa products—21,000 tonnes, tea—55,000 tonnes, poultry meat—115,000 tonnes, butter—83,000 tonnes, sunflower oil—158,000 tonnes, apples and pears—110,000 tonnes, citrus fruit—68,000 tonnes, baby food concentrates—17,000 tonnes, cotton fabrics—130 million meters, textile and knitwear articles—R2.3 billion, and leather footwear—55 million pairs.

The State of the Environment

The trend continues toward reduction of emissions of harmful substances into the air from stationary sources. This results not only from measures carried out to protect the air, but also the continuing drop in the extraction and processing of petroleum, coal, iron ore, and the drop in the production of many products of metallurgy and the chemical industry.

At the same time, because of violations of technological processes in production, the slow replacement of worn-out air-scrubbing installations, and slowness in installation of new ones, at a third of the enterprises there was an increase in emission of harmful substances into the atmosphere. As a consequence, the environmental situation continues to be unfavorable in many regions of the country. Specifically, in the third quarter of 1991, according to data of USSR Gosgidromet, in 57 cities standards were found to be exceeded 10-fold for the content of specific harmful substances in the air that are dangerous to human health (in the third quarter of 1990, the figure was 70 cities).

In the third quarter, 94 cases were also recorded of extremely high pollution in 44 streams or bodies of water, including 14 resulting from accidental discharges.

Of the 48 natural conservation projects near completion that are being financed from the union budget and resources of the fund for stabilization of the economy, not a single one was activated in the first nine months, and of the 139 being built from the "own" resources of enterprises and organizations and being supplied centrally distributed material and technical resources, only three have been accepted for operation.

Crime

Over the January-September period, 2.3 million crimes were recorded, which is 19 percent more than in the corresponding period of last year. About one million crimes have gone unsolved, which is 34 percent more than in the January-September period of 1990. Just as before, one in every seven crimes is serious, one in every 11 is committed in the economy (one out of every nine in the January-September period of 1990), one out of every six occurs in a public place, and one out of every 10 crimes occurs on the street and in squares and parks. In 5,500 of the crimes recorded, firearms were used (a growth of four percent), in almost 70,000—a knife, burglary tools, or other implements were used (an increase of more than 26 percent).

By comparison with the corresponding period of last year, there was some increase in the number of premeditated homicides and attempted murders, which numbered 16,200.

There was a nine percent increase in the crime rate (or accomplice rate) of juveniles, an 8.5 percent increase in crimes by repeaters, and a seven percent increase in crimes committed by persons in a state of alcoholic intoxication.

There was an increase in the number of group crimes. The number committed was 219,000, or 17.5 percent more than in the corresponding period of last year.

The preservation of state, public, and personal property continues to be an acute problem. There was an increase by more than 1.5 times in the number of thefts of state and public property—385,000 such crimes were detected. The number of thefts of personal property increased by almost one-third, including 45 percent of thefts from dwellings, and the numbers committed were 842,000 and 297,000, respectively.

The total number of persons charged with crimes in the period January-September reached more than one million, which is five percent more than a year ago. One-fifth of them were not working and were not going to school (age 16 and over), which is 20 percent more than in the corresponding period of 1990.

Intention To Fulfill Debt Obligation Noted

Despite Allegations to Contrary

LD0611162191 Moscow TASS International Service in Russian 1510 GMT 6 Nov 91

[Text] Moscow, 6 Nov (TASS)—According to an assessment by the USSR Bank for Foreign Economic Activity, in November this year deductions from export receipts to the centralized fund for clearing the foreign debt (what is meant is the obligatory sale of 40 percent of export receipts in line with the well-known USSR presidential decree) may prove to be insufficient fully to cover payments on the USSR's foreign debt.

The overall shortfall in receipts from current exports to cover existing needs in freely convertible currency (including clearing the foreign debt, payments for import contracts, the payment of freight, and so on) may, in November, be of the order of 1 billion rubles in freely convertible currency according to the official USSR State Bank rate; that is, about $1.67 billion.

In order to cover the indicated shortfall, it will be necessary, along with receipts from current exports, to make use of additional sources of freely convertible currency.

This matter will be considered at a meeting of the Committee for the Operational Management of the USSR National Economy on 11 November, under the chairmanship of Ivan Silayev.

One should note that matters relating to the fulfillment of the USSR's foreign payment obligations were discussed with the deputy finance ministers of the "G-7" countries and representatives of the IMF at the well-known meeting in Moscow on 27-28 October.

The USSR firmly intends to continue to fulfill its foreign debt obligations.

Debt Payments Not To Cease

LD0611163191 Moscow TASS in English 1546 GMT 6 Nov 91

[By TASS diplomatic correspondent Viktor Runov]

[Text] Moscow November 6 TASS—The USSR Vneshekonombank [Bank for Foreign Economic Activity] is firm in its intention to continue payments of its debts to foreign partners, Vneshekonombank Board Chairman Anatoliy Nosko told a briefing for Soviet and foreign journalists here today.

He rebuffed all allegations in the Soviet and foreign press about the bank's intention to cease all debt payments in November.

The bank official said the shortage of resources for debt payments arose as a result of insufficient current export revenues, amounting to about 1.67 billion U.S. dollars. But Nosko assured journalists the shortage will be made good by using other financial sources.

He said additional revenue will come from additional sales of goods on the external market. These will include oil, gas and other raw materials. Another possibility is attracting additional credits on the international financial market.

The internal currency market is beginning to function, with operations bringing in several billion U.S. dollars to form yet another source, Nosko said.

The USSR Economic Management Committee will be in charge of all problems associated with foreign debt payments, he said.

Hard Currency Deficit Discussed

LD0611162291 Moscow TASS in English 0845 GMT 6 Nov 91

[Text] Moscow November 6 TASS—"The country's deficit of hard currency may reach about one billion hard currency roubles in November," Anatoliy Nosko, deputy head of the board of Soviet Bank of Foreign Economic Activities, said.

He told the Soviet interim government on Tuesday [5 November], Soviet exports are expected to reach 1.1 billion hard currency roubles in November, of which almost one billion roubles will be used to serve the foreign debt and make payments on open letters of credit. This will leave enterprises and republics practically without hard currency till the end of the year and may threaten Soviet purchases of medicines.

"We have to make current payments and pay the debt in extraordinary circumstances," Vladimir Durasov, first deputy minister of economics and forecasting, said.

Nosko told TASS the country's foreign debt has totalled 47-48 billion hard currency roubles at an official exchange rate, plus another 17-18 billion hard currency roubles the Soviet Union owes to former socialist countries.

The government will discuss the country's hard currency revenues and foreign debt on November 9. It will also urge the Soviet State Council to publish information about the country's gold reserves, because "the figure 240 tonnes is false".

Baltic Affairs

RSA's Botha Ends 'Successful' Visit

MB0511180891 Johannesburg South African Broadcasting Corporation Network in Afrikaans 1400 GMT 5 Nov 91

[Text] Foreign Minister Botha today concluded what has been branded a very successful tour of the Baltic states of Latvia, Estonia, and Lithuania. Our political correspondent reports that South Africa is on the verge of concluding formal ties with all these three states.

During his visit to Latvia, he held talks with the prime minister, Mr. Ivars Godmanis. In Estonia he held discussions with his counterpart and met the newly appointed president, Mr. A. Ruutel. In Lithuania he consulted with President Vytautas Landsbergis. Mr. Botha is currently in Kiev, and later this week he will visit St. Petersburg and Moscow.

A spokesman for the Ministry of Foreign Affairs said contrary to expectations, Mr. Botha was welcomed cordially and courteously during his visits.

Prime Ministers Satisfied With U.S. Visit

OW0511011991 Moscow BALTFAX in English 2030 GMT 4 Nov 91

[Transmitted via KYODO]

[Text] Estonian Prime Minister Edgar Savisaar told a news briefing in Tallinn November 4th that during his two-week visit to the USA he and U.S. Vice-President Dan Quayle had signed an Estonian-American intergovernmental agreement encouraging investment in the Estonian economy. Mr. Savisaar along with Latvian and Lithuanian Prime Ministers Ivars Godmanis and Gediminas Vagnorius attended a seminar on the Baltics' economy organized by the Hudson Institute.

Mr. Savisaar said that under the agreement, Estonia pledges to grant American businessmen investing in Estonia's economy certain economic guarantees and preferential taxation. On its part, the American side guarantees its citizens doing business in Estonia compensation for possible losses in case of "major political changes in the republic."

There are currently 1,100 joint ventures in Estonia, 45 of them with American participation. Mr. Savisaar believes after the signing of this agreement, U.S. investment in the Estonian economy will considerably increase.

A Lithuanian delegation led by Prime Minister Gediminas Vagnorius returned from the USA on November 4th. Lithuania has also signed an agreement on American investment guarantees.

The Lithuanian radio reports that upon his return home Mr. Vagnorius expressed satisfaction with the results of the trip saying that "its main goals have been achieved." He particularly noted the fact that after 50-year-long break Lithuania signed a mutually beneficial cooperation agreement with the USA. Moreover, Mr. Vagnorius said that the U.S. promised to grant Lithuania a most favored nation trading status by the end of November.

"BALTFAX" will report on results of Latvian Prime Minister Ivars Godmanis' visit to the U.S. in its next editions.

Estonia

Airborne Troops Start To Leave

OW0611203391 Moscow BALTFAX in English 1931 GMT 6 Nov 91

[Transmitted via KYODO]

[Text] The Estonian newspaper "POSTIMEES" reports that on November 5th 16 combat vehicles of a Soviet airborne unit stationed in the village of Nursi near the town of Voru in the southern Estonia were dispatched by railroad back to the Soviet Union.

Some soldiers of the unit were demobilized, the rest joined other units of the Baltic Military District.

The Yoru airborne force is one of the two units which Soviet Defense Minister Evgeniy Shaposhnikov pledged to withdraw from Estonia by November 3rd.

In an interview with BF [BALTFAX] Rubert Sinimegi, a spokesman for the Estonian State and Border Protection Ministry, expressed concern over the unsettled state of the Soviet Army units changing their location. As he put it: "Probably, in a month or two Russia may face an acute situation similar to that in 1917...."

Cooperation Agreement Signed With Denmark

LD0611213591 Tallinn Radio Tallinn Network in Estonian 1300 GMT 6 Nov 91

[Excerpts] Cooperation has been established between Estonia and Denmark for both the near and the more distant future. Today at noon an Estonian-Danish treaty was signed at Toompea in the White Hail. At a news conference afterward, the contents of the treaty were related to journalists. Mati Kirotar was present on behalf of our information service:

[Begin recording] [Kirotar] As Edgar Savisaar said at the news conference, Estonian-Danish political and economic relations are developing positively. [passage omitted]

The bilateral agreement favors investments and is also designed to enliven business activity between the two states. Mehis Pilv, director general of the Foreign Economic Departmnets, explained the essence of the agreement in brief.

[Pilv] [passage omitted] We will guarantee to Denmark that should any future parliament or parliamentary session decide to expropriate a Danish firm, then the Estonian state guarantees to pay compensation.

[Kirotar] In the course of the talks, Estonian-Danish cooperation in agriculture, education, and transport was discussed, as well as political relations, how the integration of the Baltic states into Europe should take place, and joint activity of the countries in the Baltics region.

Danish Prime Minister Poul Schluter stated that in the future similar agreements will also be concluded with Latvia and Lithuania. An example of developing cooperation is also the fact that the Danish Confederation of Industry will organize Danish days of technology from 10 to 11 February next year in Estonia. According to preliminary information, 45 Danish companies will be taking part.

In the near future, ferry traffic between Estonia and Denmark will be intensified. Perhaps before Christmas flights will begin between Tallinn and Copenhagen. [passage omitted] [end recording]

Danish Prime Minister Visits, Meets Savisaar

LD0511174391 Tallinn Radio Tallinn Network in Estonian 1000 GMT 5 Nov 91

[Excerpts] And so, the Danish Prime Minister Poul Schluter arrived for a visit in Estonia today. And Erki Berends has just arrived in the studio from Toompea.

[Berends] [passage omitted] A round of talks with the Estonian side had been planned for after 1100. Taking their places at a table in Toompea were Prime Minister Edgar Savisaar; Mehis Pilv, director general of the foreign economic department; Tiit Vahi, minister of transportation; Harri Ounapuu, minister of agriculture; Rein Loik, minister of education; and other officials. [passage omitted]

Before the talks started, however, I asked Mehis Pilv, director general of the Estonian foreign economic department, what are the common interests between Estonia and Denmark.

[Begin Pilv recording] Estonia has a major interest in cooperation with Denmark, and this interest is bilateral. [passage omitted] A logistics center will be opened in Tallinn. And I think that this will assist us with a number of logistics problems, which means organizing both ferry traffic and air traffic; it means also drawing up a number of bills connected with the possible projects for free ports, and will also stand for such specific systems as safety at sea and in the air and reservation of air tickets. That is, it is a very extensive field which fits into the logistics center. [passage omitted] [end recording]

[Berends] After today's talks, a visit with Arnold Ruutel has been planned for Poul Schluter before the opening of the Danish-Estonian joint firm. Tomorrow morning a treaty between the states will be signed in Toompea, in the White Hall.

Ties Strained Between St. Petersburg, Tallinn

LD0311210691 Moscow Radio Rossii Network in Russian 2000 GMT 2 Nov 91

[Text] Anatoliy Sobchak, mayor of St. Petersburg and head of the Soviet delegation at the talks with Tallinn, has met Estonian Prime Minister Edgar Savisaar in a comfortable dacha. The discussion was conducted in secret. However, people from Sobchak's entourage revealed that the talks were marked by a discussion on the revival of economic relations and on measures to relieve Estonia of the arms and personnel of the USSR Armed Forces and by Sobchak's unprecedented attacks on the political course undertaken by Tallinn. According to these sources, Mr. Savisaar became depressed as a result of this and promised Sobchak that the Estonian Government will work out a renewed concept on the republic's tactics of achieving state independence. It is expected, in particular, that the permissable time-scale for the withdrawal of the Soviet Army from Estonia will be extended, the border control system with Russia will be liberalized, volumes of industrial deliveries will be on par with Russian deliveries, and the demands of the presidium of the Estonian parliament on the annexation of part of the territory of the Leningrad and Pskov oblasts to Estonia will be nullified.

Nevertheless, Anatoliy Sobchak urged Mr. Savisaar not to destroy what should not be destroyed, and put forward the initiative that the existing integration of Estonia and Russia be based—as he said—on fresh principles. Sobchak carefully pointed out to the Estonian prime minister that the talks might be slowed down if Estonia does not respond to his idea.

At the same time, Savisaar failed to discover to what extent Sobchak's position is coordinated with the Kremlin. According to those close to Sobchak, his position is most probably the result of the political and economic improvizations of himself, and nothing else.

In the meantime, St. Petersburg industrialists and national patriots are pleased with Sobchak's attitude to Estonia. But whereas the former are talking of the possibility of wildcat economic sanctions against Tallinn, the latter have already declared that St. Petersburg-Estonian trade has started to have an effect—and I quote—of extortion and servitude for St. Petersburg and the whole of Russia. So the patriots have resorted to a campaign of practical protest. For instance, around 100 nationalist activists recently blocked traffic on the St. Petersburg-Tallinn railroad for several hours. As a result, two freight trains heading for Estonia were halted. Only the intervention of a militia unit led to the line being re-opened. However, the pickets have informed the authorities of their determination to continue to halt deliveries to Estonia they say are ruinous for Russia. Moreover, the nationalists have declared their readiness to redeploy to Kingiseppskiy Rayon of Leningrad Oblast for the sacred defense of Russian lands. It may be that the patriots will be guarding the border jointly with the St. Petersburg OMON [special purpose militia detachment]. At any rate, the detachment commander told a Radio Russia correspondent that the OMON is basically willing to deploy there, but only in response to official orders.

Official Views Dangers for Independence

AU0611153591 Hamburg DIE WELT in German 6 Nov 91 p 12

[By Berndt Conrad: "The Process of Freedom Has Only Just Begun"]

[Text] Bonn—Referring to the need of the three Baltic republics to consolidate their independence, which they achieved after the abortive Moscow coup, at home and in relations with other countries, Tunne V. Kelam, chairman of the Council of Estonia, stated in an interview with DIE WELT: "Many people in the West say: Everything is over now. The Soviet empire has collapsed. The Balts are free now. However, our process of freedom has only just started, and it is threatened by internal and external dangers," Kelam, one of the leaders of the Estonian independence movement, stressed.

According to the 54-year-old historian and journalist, an external threat will continue to exist so long as Moscow has economic power instruments, Soviet troops are stationed in Estonia, and Estonia's eastern border is not closed. "Our border with the Soviet Union is still open. Any Russian can enter our republic. Western visitors who apply for a visa, however, have to answer more questions than in the past." Asked whether he really expects pressure from the Soviet Union or Russia in the future, Kelam replied in a sober way: "Yes, there will be pressure."

In his view, Estonia has two options at this point:

1. Estonia will become a completely democratic and independent republic that will find its place in the EC.

2. Estonia will become some kind of satellite—like Czechoslovakia or Poland in the past—with a representation of its own in the United Nations, but with Soviet occupation forces and control by Moscow.

"The Soviet and Russian governments believe that the Baltic republics should vote for the second option. In practice, the Estonian Government seems to favor this possibility. For us, the National Independence Party of Estonia, however, only the first option is acceptable," Kelam pointed out.

Kelam is convinced that, in order to realize the first option and to withstand pressure from Moscow, a strong Estonia with democratic structures, which do not exist at this point, is necessary. He sees an alarming dualism in Estonia. The Congress elected by the native population and a 50-member-strong Council (headed by Kelam) that developed out of the Congress is opposed by a Supreme Soviet, consisting of former Communists, and the government headed by the very autocratic Prime Minister Edgar Savisaar, a former Communist. Grotesquely enough, the Supreme Soviet, in whose election members of the Soviet occupation forces participated as well, includes four Army officers. Despite assertions to the contrary, this Supreme Soviet is not in a position to adopt economic reforms, to privatize agriculture, and to attract foreign capital. The government led by Savisaar has certainly not changed the old Soviet structures. It continues to control all media, and members of the former KGB still work for it. "When the chairman of the Supreme Soviet, Nugis, mentioned the danger of a new dictatorship at a news conference—he was referring to the current head of government—radio, television, and the major papers did not report a single word."

Kelam's hopes are founded on the fact that 30 representatives each of the Supreme Soviet and of the Congress are currently jointly preparing—under the impression of the abortive Moscow coup—a draft constitution on the German model with a strong parliament, a strong government, and a representative president. A referendum on the draft is planned for the end of 1991 or the beginning of 1992. Subsequently, free parliamentary elections are to be held.

Particularly in view of these prospects, the democratic forces urgently need their own paper and an independent television station, Kelam stressed. They hope for German support to achieve this.

Ethnic Minister Notes 'Rightward Drift'

OW0611122791 Moscow BALTFAX in English 1130 GMT 6 Nov 91

[Transmitted via KYODO]

[Text] On November 5, at the traditional "information hour" during which Estonian MPs [members of parliament] put different questions to the ministers, Estonian minister of ethnic relations, Mr. Artur Kuznetsov, expressed concern about the rightward drift of the Estonian Government and parliament.

He also expressed regret about the fact that the disintegrating Soviet Union did not show any interest in its citizens. He said in this connection that the residents of Estonia, who had refused to become Estonian citizens, are facing the future of stateless people.

Soviet Customs Stops Operations

OW0511012191 Moscow BALTFAX in English 2030 GMT 4 Nov 91

[Transmitted via KYODO]

[Text] As Mati Jurgens, General Director of the Estonian Customs Department, told BALTFAX, on November

4th the Soviet Customs stopped its activities in Estonia. Starting from November 5th employees of the Soviet Customs can take on jobs at the Estonian one. "Estonia needs several hundred qualified customs officers, so we invite Soviet specialists", Mr. Jurgens said.

Soviet customs regulations will be in effect in Estonia until it passes its own customs legislation (under the condition that they do not contradict with Estonian laws).

Bureau for Negotiations Created

LD0511233291 Moscow Radio Rossii Network in Russian 1400 GMT 5 Nov 91

[Text] The creation of a coordination bureau for negotiations with the USSR and republics, under the republican state chancellery, has been announced in Estonia. The new bureau's main task is to coordinate the work of delegations and groups of experts preparing for and conducting talks with the USSR and republics. As reported earlier by the BALTFAX agency, Estonia's parliament has fully empowered the republican government to hold talks with the USSR and republics, but all treaties concluded by the government with other states should subsequently be ratified by the Estonian Supreme Soviet.

Parliament Passes Resolution on Citizenship

OW0711003891 Moscow BALTFAX in English 1931 GMT 6 Nov 91

[Transmitted via KYODO]

[Text] On Wednesday [6 November] the Estonian Supreme Council passed a resolution on Estonian citizenship restoring the 1938 law on citizenship. However, the resolution leaves the opportunity for changing the law. The Estonian Government has been charged with submitting within three weeks a draft law on the introduction of the 1938 law on citizenship to the Supreme Council.

Under the law, Estonian citizenship is granted to those who had been citizens of Estonia before June 16th, 1940, and their descendants. Estonian citizenship is inherited only by male line.

The 1938 law on citizenship regulates naturalization envisaging at least two years of permanent residence in the republic before applying for citizenship and at least one year after applying as well as the minimal knowledge of the Estonian language.

The law provides for preferential granting of citizenship to ethnic Estonians, people who have rendered great services to Estonia and those without citizenship who have lived in the republic for at least ten years. These categories of people are not required to know the language and to have lived in the republic for a year after applying for citizenship.

Banker Hopes To Retrieve Gold in London

OW0611184991 Moscow BALTFAX in English 1711 GMT 6 Nov 91

[Transmitted via KYODO]

[Text] Siim Kallas, president of the Bank of Estonia, left for London November 6th for talks on the fate of the Baltic golden reserve in Great Britain.

The golden reserve belonging to Latvia, Lithuania and Estonia has been kept in the Bank of England since 1940 and is estimated at 115 million pounds.

In 1967 Great Britain and the USSR agreed that the Baltic gold would be used to offset losses suffered by some British companies as a result of the nationalization campaign in the USSR between 1932 and 1934.

In 1967 the Baltic golden reserve was estimated at 5,7 million pounds while the British companies' losses - at 12 million pounds.

According to "Financial Times", 34 percent of it belongs to Estonia, 44 percent - to Latvia and 22 percent - to Lithuania.

Mr. Kallas told the newspaper "PAEVALEHT" before departure that he hopes to receive the gold and use it for carrying out the monetary reform.

Mr. Kallas described the forthcoming talks as "difficult", especially for the "beginners"—the Baltic representatives. "We hope for the friendly atmosphere at the talks", he noted.

Latvia

Arrest, Extradition of OMON Chief 'Unlawful'

PM0611131791 Moscow ROSSIYSKAYA GAZETA in Russian 6 Nov 91 p 1

[Unattributed report under "News" rubric: "Unlawful Arrest"]

[Text] The press service of the RSFSR [Russian Soviet Federated Socialist Republic] Foreign Ministry has issued a statement on the unlawful arrest and extradition of Sergey Parfenov, commander of the former Riga OMON [special purpose militia detachment] to the Latvian Republic. Referring to the absence between the RSFSR and Latvia of a treaty on legal assistance or a treaty on the reciprocal extradition of criminals, a Foreign Ministry spokesman stresses that the existing protocol on such assistance between both republics' prosecutors is not a legal basis for such actions, because it was signed before Russia's recognition on 24 August this year of the Latvian Republic's independence.

Action Urged on Army Property Claims

PM0511143991 Moscow KRASNAYA ZVEZDA in Russian 1 Nov 91 First Edition p 1

[From TASS and correspondent reports: "Menatep Buying Up Army Property in the Baltic"]

[Text] According to a statement by Latvian Supreme Council Deputy Peteris Simson, the parliamentary commission for defense and internal affairs has information in its possession that Union structures like the Menatep association are displaying enhanced interest in Armed Forces property located on Baltic territory. It is quite possible that these structures could obtain ownership of military property, the deputy noted. We could be talking about military camps, port installations, and so forth. There could then be property disputes. It is therefore necessary to expedite the elaboration of measures to take USSR Armed Forces property under the jurisdiction of the Latvian Republic.

Committee To Implement Monetary Reform

OW0711003991 Moscow BALTFAX in English 1931 GMT 6 Nov 91

[Transmitted via KYODO]

[Text] On November 6th the Latvian Supreme Council adopted a law on the committee for the monetary reform in Latvia.

The committee headed by Prime Minister Ivars Godmanis will be subordinated to the Latvian Supreme Council and will operate until the national currency—lat—is introduced.

Einars Repse, president of the Bank of Latvia, told the parliament Wednesday [6 November] that decisions concerning the monetary reform should be taken "quickly and confidentially" in order to prevent speculation and panic among the population". Currently, the Bank of Latvia is working on internal convertibility of the lat starting from its introduction.

In the opinion of Mr. Repse, the real monetary reform in Latvia can start not earlier than in September of 1991 [as received]. He believes by that time the Latvian economy will be dominated by the private sector ensuring the stable implementation of the reform.

Law Passed on Privatization of Shops, Centers

OW0611123491 Moscow BALTFAX in English 1130 GMT 6 Nov 91

[Transmitted via KYODO]

[Text] On November 5, the Latvian parliament adopted the law on the privatisation of shops and public-catering and service centres which can now be sold out to individuals who have lived in Latvia for at least 16 years. The law says that the property nationalized after Latvia joined the USSR shall not be privatized. The law went in effect the moment it was adopted.

Lithuania

'No Obstacles' to Early Talks With USSR

OW0611185191 Moscow INTERFAX in English 1629 GMT 6 Nov 91

["Diplomatic Panorma" feature by diplomatic correspondents Mikhail Mayorov and Igor Porshnev; transmitted via KYODO]

[Excerpt] [passage omitted] There are no obstacles to starting talks between the Soviet Union and Lithuania early enough. Only "purely organizational aspects" have to be settled, a prominent member of the USSR Foreign Ministry told DP's [Diplomatic Panorama] correspondent. He said he hopes that the "organizational aspects" of the talks will be coordinated in the next few days, when experts from the two countries gather for a working meeting.

The present situation is quite natural, the diplomat said. According to him, it would be odd if no problems demanding solution were left between two sovereign states after half a century of their joint existence. The resolution adopted by the State Council on September 6, 1991 provided not only for recognizing Lithuania's independence, but also for conducting with it talks on resolving the entire range of issues, the official pointed out. This includes economic, political and military issues.

"We proceed from the assumption that all the emerging problems should be resolved at the upcoming talks", the diplomat stressed. It would be irrational to seize now one, now another issue from this complex, he said.

According to the diplomat, the sooner the talks begin, the faster participants in them will be able to consider mutual claims. The soonest beginning of talks would be in the interests of both Moscow and Vilnius, he said. "With the presence of goodwill and constructive approach all problems can be resolved at the negotiating table", he stressed.

November 1 saw an unofficial meeting between the head of the USSR delegation for talks with Lithuania Eduard Shevardnadze and Ceslovas Stankiavicius, deputy chairman of Lithuania's parliament, the diplomat said.

The two men discussed issues connected with the upcoming talks. They decided to continue working-level consultations in the framework of preparations for official talks. The two sides shared the belief that talks between the USSR and Lithuania will "begin at the earliest opportunity".

Foreign Ministry: 'No Barriers' to Talks

OW0711090591 Moscow BALTFAX in English 1420 GMT 6 Nov 91

[Transmitted via KYODO]

[Text] A Soviet Foreign Ministry official who chose not to disclose his name, told BF [BALTFAX] that soon Soviet and Lithuanian experts would gather for a working meeting to coordinate some organizational questions which have to do with the forthcoming Soviet-Lithuanian talks.

He said that there were no barriers hampering plans to begin talks soon between the delegations of the USSR and Lithuania.

He also reminded that the USSR State Council's resolution of September 6, 1991, recognizes not only Lithuania's independence, but also the talks with it on settling the entire range of problems, including economic, political and military ones. "We proceed from the belief that the forthcoming talks must tackle all the emergencies," the diplomat said.

Landsbergis Fears Actions by Communist Forces

AU0711131591 Vienna Oesterreich Eins Radio Network in German 1100 GMT 7 Nov 91

[Alfred Schwarz report on interview with Lithuanian President Vytautas Landsbergis in Vienna; date of interview not given]

[Text] Lithuanian President Landsbergis has arrived in Austria at the invitation of the Austrian writers' association, the PEN club. During his visit, he will meet with President Waldheim, Chancellor Vranitzky, Foreign Minister Mock, and the parliamentary president, Fischer. We conducted the following interview with the Lithuanian president, whose country has been internationally recognized since September this year.

Right from the beginning of the interview, Lithuanian President Landsbergis made it clear that he has not only felt himself to be Lithuania's president since his country's recognition after the August coup in the Soviet Union, but that he has considered himself president of an independent Lithuania since March last year when Lithuania declared its independence. He admitted that the era of imperialist policy and of military attacks on the part of Moscow belongs to the past, but the situation is not rosy either, he stressed.

[Begin Landsbergis recording] Direct pressure from Moscow stopped in September, but Soviet Armed Forces continue to be deployed in Lithuania. They are the Armed Forces of an occupying power. The former communist forces are still planning actions against Lithuania. They want to reverse current developments. A Lithuanian border patrolman was attacked by armed persons on the border with Belarus [Belorussia] last night. This was certainly a political act. The danger of a communist coup or of other attempts by the communists to regain power is an international danger on the whole territory of the former Soviet Union. Thus, it was not without good reason that Boris Yeltsin finally banned the Communist Party yesterday. [end recording]

Lithuania does not view Yeltsin as the great Russian nationalist of whom one should be afraid, as the Ukrainians do. Quite the contrary. Lithuania pins all its hopes on Boris Yeltsin.

[Begin Landsbergis recording] We are very grateful to Yeltsin for what he did. If he came to Lithuania today, he would be received in a very, very friendly way. [end recording]

Why Lithuania is so well disposed toward Russia—in contrast to some other Soviet republics—became clear when the talk turned to economic issues. Like other post-communist countries, Lithuania is facing enormous problems, Landsbergis stressed. However, unlike Russia, his country is not threatened by famine. Lithuania urgently needs close cooperation with Russia.

[Begin Landsbergis recording] We are not likely to have serious problems with foodstuffs. However, the energy situation is very critical for us. In this sphere, we are closely linked with the Soviet Union and Russia. Our future will depend on future relations between Lithuania and Russia. We have prepared a trade agreement with Russia and would like Lithuania and Russia to sign this treaty. [end recording]

Referring to the Western states, Landsbergis stated that he had hoped for more economic support for the free Lithuania. He will try to make this clear to Austrian politicians during his visit today.

Grenades Thrown During Border Check

OW0711130091 Moscow BALTFAX in English 1200 GMT 7 Nov 91

[Transmitted via KYODO]

[Text] Two hand grenades were thrown out of a car stopped for a check at a Lithuanian checkpoint in Sumskas on the Lithuanian-Belorussian border at 10:23 P.M. yesterday. One of the guards was lightly wounded by the explosion.

Two out of the three men in the car were arrested, the third one managing to escape. Those arrested were wearing Soviet Army uniforms and were armed with a short-barrelled Kalashnikov.

The Public Prosecutor's Office of Lithuania has instituted criminal proceedings.

Lithuania's Defence Minister, Audrius Butkevicius, has decribed the assault as a political provocation.

Landsbergis Meets European Parliament Group

OW0611010191 Moscow BALTFAX in English
1524 GMT 5 Nov 91

[Transmitted via KYODO]

[Text] The chairman of the Supreme Council of Lithuania, Vytautas Landsbergis, has today received a delegation from the Europarliament which is presently visiting Lithuania.

Speaking at a press conference after the meeting, the leader of the delegation, Siegbert Alber, said that the purpose of the visit was to explore the possibilities for cooperation between Lithuania and Europe, map out ways of technological and financial aid to Lithuania and to establish permanent contacts between the Europarliament and the Baltic Council.

Mr. Alber said he had the impression that in Lithuania political parties did not play a role as important as they did in countries with developed democratic systems. "There are various kinds of movements here which have greater influence," he emphasised.

He feared when normal parties were set up in the near future Lithuanian society might be split up into a thousand groups. "This will result in an unstable government being forced, whereas you need a stable government to do any constructive work such as the restoration of the economy," he said.

Speaking about the national minorities in Lithuania, Mr. Alber said they all "enjoy equal rights and have certain political influence."

Yesterday Mr. Landsbergis received the Brazilian ambassador to Austria, Thereza Gintella, who handed him a letter from the president of Brazil, Fernando Collor de Mello in which the Brazilian president expresses the hope that his country and Lithuania will develop their contacts.

During the conversation Ms. Gintella said her government was intending to conclude agreements with Lithuania on economic, scientific and cultural cooperation. The future restoration of diplomatic relations between the two countries was also discussed.

Discusses Problems, Denies Rumors

LD0611122191

[Editorial Report] Vilnius Radio Vilnius Network in Lithuanian at 1700 GMT on 5 November broadcasts a 5-minute report on today's meeting between Lithuanian President Vytautas Landsbergis and a delegation from the European Parliament. During the meeting Landsbergis says:

"Lithuania has some inherited problems. The main problems are the large and uncontrolled Armed Forces of the Soviet Union, and the economy, which is in a transitional stage toward a new state of a free enterprise and free market. Therefore, Lithuania needs today a many-sided, especially political, European aid. We do not wish to find ourselves among the Soviet Union's protectorates, and Europe should also be concerned about this, too."

Speaking about Lithuania's integration into European economic and political structures, Vytautas Landsbergis points out that "attempts are made to do this on the level of the Baltic region. Lithuania, Latvia, and Estonia are states that understand one another well, and therefore, could set up a special agreement that would unite them economically and later on politically as well. This prospect was envisaged back in 1989 in some documents that at that time were prepared by the liberation movements of the three states. While coordinating the policies of the three states, this work is continued by the Council of the Baltic states."

Landsbergis goes on to say: "The issue of reports that have appeared recently in the foreign press about an alleged amnesty for war criminals in Lithuania was also discussed. Reports about an amnesty for war criminals are not right, and they give a totally wrong view on what the actual situation is in Lithuania. There is no law in Lithuania on an amnesty for war criminals. On the contrary, the extension of an amnesty to them is prohibited. In order to check those cases that cause some doubts we have made an agreement with the organizations of certain countries involved in the investigation of war crimes, although, of course, we will do this of our own accord, too. "It is therefore a pity that the clamor in the foreign press about this continues, with articles that are too generalized and that place the blame on Lithuania."

Landsbergis on 'Common' Link With Belorussia

PM0611131391 Vilnius EKHO LITVY in Russian
24 Oct 91 p 1

["Speech by Vytautas Landsbergis in the Belarus [Belorussia] Supreme Soviet on 22 October 1991"]

[Text] Dear neighbors, I greet you on behalf of the Lithuanian people. I believe that our two powers are entering an era of new relations.

Mr. Speaker, Esteemed Deputies,

I would be glad to continue in the sonorous language of our nearest neighbors, but I will not be able to manage any more today.

I regret this, because I see so much in common between our peoples and their destinies. The character of our peoples, even their appearance and their songs are similar. A sense of sympathy and friendship is evoked by your good, forebearing peasant people, and the Lithuanian people too are, after all, in essence the same.

Our heart aches for your sufferings—from Kuropaty to Chernobyl—and our heart is also sincerely gladdened by your revival.

Brothers of Belarus [Belorussia], our hour is nigh!—was the hope expressed by the insurgents almost 130 years ago. But this now sounds as if freshly minted, despite even the shadow of Chernobyl.

Almost six centuries ago Lithuanian and Belorussian regiments crushed a Western aggressor under the same emblem of the Grand Duchy. Throughout the dark and troubled 19th century our two peoples languished under the same Eastern yoke of the tsar-emperors—languished and arose, remembering to this day the nobility and valor of Kastusya Kalinowski.

We remember the gallows and the prison camps of the time, the bans on publishing in our native Lithuanian and your native Belorussian, and the persecution and disparagement of the languages themselves. Stalin's attempt to suppress and absorb all the peoples, depriving them of both their language and ethos, has left its mark.

Your proclamation today of Belorussian as the state language, marking a substantial step forward in the Belorussian national revival, is particularly gratifying.

Given our concern for the authenticity and purity of the Lithuanian language, we recall increasingly often that your people are referred to in our language by the ancient Lithuanian term "gudai."

Do not be surprised if we again start using officially the title Gudijos Respublikos, as we did in 1918 and 1940, for then we will be even more aware of our closeness.

Lithuania itself is filled with people bearing names such as Gudas, Gudaitis, Gudinas, Gudavicius, Gudinskas, and Gudienas and placenames such as Gudeliai, Gudu Girya, and Gudakiemis, which better than anything else bear witness to the antiquity of our common history and the proximity of our countries and peoples.

Our common revival today is both the fruit of efforts and mutual aid and the common gift of destiny.

Belorussia's striving for sovereign statehood gladdens us. This striving was suppressed, checked, and distorted, but it now appears as the new political reality in this part of Europe.

Belarus is already determining its own destiny. As emerges from your Declaration of State Sovereignty, no one anymore will drag Belarus by force into unwanted unions or compel it to relinquish its basic rights. We now have a partner in the east with whom it should be good to cooperate in international affairs as UN states. But we also have so many domestic affairs in common. Closing down Chernobyl! Saving Neman—and with it the sea, which is also the closest sea to Belarus too. Preserving the land, water, and clear peaceful skies so that our children and grandchildren grow up healthy, love one another, and advance toward the future with their hands outstretched to one another.

Thank you.

Relations Declaration Signed With Belorussia

PM0611163191 Vilnius EKHO LITVY in Russian 26 Oct 91 p 1

["Declaration of Principles of Good-Neighborly Relations Between the Lithuanian Republic and the Republic of Belarus [Belorussia]"]

[Text] The Lithuanian Republic and the Republic of Belarus [Belorussia]

—based on the Act of the Lithuanian Republic Supreme Council on the restoration of the independence of the Lithuanian state of 11 March 1990 and the Constitutional Act on the Lithuanian State of 11 February 1991, and also on the Belorussian SSR [Soviet Socialist Republic] Supreme Soviet Declaration on the state sovereignty of the Belorussian SSR of 27 July 1990 and the Law conferring on the Declaration on the State Sovereignty of the Belorussian SSR the status of a constitutional law of 25 August 1991;

—taking into account the centuries-old traditions of political, historical, economic, and cultural ties between Lithuania and Belarus;

—guided by the principles of the UN Charter, the provisions of the CSCE Final Act, the Paris Charter for a New Europe, and other documents of that conference;

—mindful of their responsibility for international peace, security, mutual understanding, and cooperation, and considering the significance of Lithuanian-Belarus relations for a free and democratic Europe respecting human rights;

—expressing mutual interest in developing good-neighborly relations and all-around cooperation between the two states;

state the following:

1. The Lithuanian Republic and the Republic of Belarus base their relations on mutual respect of each other's state sovereignty.

2. The Lithuanian Republic and the Republic of Belarus are guided in their relations by the principles of equality, territorial integrity of states, noninterference in internal affairs, respect for human rights, good-neighborliness, mutual understanding, and mutually beneficial cooperation.

3. The Lithuanian Republic and the Republic of Belarus consider the principle of the inviolability of borders as set out in the Helsinki Final Act to be a most important factor of stability in Europe. Specific questions of the delimitation of the Lithuanian-Belarus border and its

subsequent demarcation shall be subject to careful scrutiny in the near future and with this aim the Lithuanian Republic and the Republic of Belarus will create a joint commission comprising representatives of the two states.

4. The Lithuanian Republic and the Republic of Belarus recognize the special importance of security questions and will strive for good cooperation in this sphere and for coordination of actions on both a bilateral and an international basis. The Lithuanian Republic and the Republic of Belarus consider the possible creation, presence, and operation of any armed formations on the territory of one of the sides signatory to the declaration directed against the other side to be impermissible.

5. The Lithuanian Republic and the Republic of Belarus will strive to ensure for Belorussians in Lithuania and for Lithuanians in Belarus rights and freedoms equal to the rights and freedoms of their own citizens.

The Lithuanian Republic and the Republic of Belarus recognize the ethnic, cultural, and linguistic identity of the Belorussians in Lithuania and the Lithuanians in Belarus and pledge themselves to ensure for those people conditions for the free development of their identity and promote their links with their nation in the other state signatory to the declaration. For these purposes the sides will strive to create for Belorussians in Lithuania and Lithuanians in Belarus the corresponding opportunities in the sphere of education, science, culture, and religion.

The Lithuanian Republic and the Republic of Belarus will ensure the protection on their territory of the historical and cultural monuments of the two peoples.

6. The Lithuanian Republic and the Republic of Belarus will develop all-around cultural and scientific cooperation and promote the expansion of contacts between cultural and scientific institutions, organizations, specialists, and individual citizens.

Showing special concern for the education of the rising generation in a spirit of peace, mutual respect, and mutual understanding between the peoples, the Lithuanian Republic and the Republic of Belarus will strive for the objective treatment of history in the process of training in the state and private educational systems.

7. The Lithuanian Republic and the Republic of Belarus will promote the mutually beneficial development of trade exchange and economic, scientific, and technical cooperation and for those purposes will sign a trade and economic agreement in the near future.

8. The Lithuanian Republic and the Republic of Belarus will actively cooperate in the sphere of environmental protection and the rational use of natural resources, paying special attention to the Neman and Neris river basin and the Braslavskoye lakes region and the safety of the operation of nuclear power stations and for the purposes of preventing transborder pollution and eliminating its aftermath.

9. All questions which arise in relations between the Lithuanian Republic and the Republic of Belarus shall be settled by them during bilateral consultations and talks.

10. The Lithuanian Republic and the Republic of Belarus will cooperate in the international arena and will hold consultations on those questions of international relations which are of interest to them.

11. The principles of the present declaration will be developed and enshrined in an interstate treaty between the Lithuanian Republic and the Republic of Belarus.

V. Landsbergis, Chairman of the Lithuanian Republic Supreme Council.

S. Shushkevich, Chairman of the Republic of Belarus Supreme Soviet.

Vilnius, 24 October 1991.

Landsbergis, Shushkevich on Declaration

PM0711105791 Vilnius EKHO LITVY in Russian 26 Oct 91 p 1

[By Rostislav Osherov: "There Will Be No Territorial Conflicts"]

[Text] After signing an interstate declaration 24 October, Vytautas Landsbergis, chairman of the Lithuanian Republic Supreme Council, and Stanislav Shushkevich, chairman of the Republic of Belarus [Belorussia] Supreme Soviet, met with journalists.

V. Landsbergis noted that the signing of the declaration is a very significant event. In the life of states, he stressed, relations between neighbors are especially important. Relations with Belarus have always been traditionally friendly but are now entering a qualitatively new stage of development at a new level. I have no doubt about the further expansion and strengthening of neighborly ties between our countries, V. Landsbergis said.

In a short speech, S. Shushkevich expressed gratitude to Lithuania, V. Landsbergis, and the Lithuanian delegation, noting that during the visit much work had been done and as a result of the two delegations' strenuous and constructive activity a declaration had been signed which opens a new stage in the history of relations between Lithuania and Belarus.

Then V. Landsbergis and S. Shushkevich answered questions from journalists, who were particularly interested in the problem of reciprocal territorial claims. V. Landsbergis replied that the declaration provides for the creation of a special commission to resolve potential problems, even though in essence the border question is settled and the provisions contained in the declaration on this matter caused no disagreements between the sides' representatives. The Lithuanian Republic, the chairman of the Lithuanian Supreme Council noted, is guided by the principles of the Helsinki agreement.

S. Shushkevich, answering questions on the borders, stressed that the Republic of Belarus leadership adheres to the principle that borders are invariable and inviolable. He noted that on such questions it is difficult to find a solution which pleases absolutely everyone and no border changes, not even logically justified ones, are worth tears, let alone bloodshed. The people of Belarus, which lost one-third of its inhabitants during World War II, understand that very well. The existing borders fully enable us to increase and reinforce Belorussia's traditions, science, and culture and maintain good relations with our neighbors.

The Belarus Supreme Soviet chairman advocated the consistent democratic development of the republic and the establishment of truly democratic approaches and traditions there. S. Shushkevich sees Belarus' future as a neutral state and a nuclear-free zone, although he views the transitional period as quite lengthy and believes that, if all that is planned is successfully accomplished by the end of this millennium, he will consider that his task has been achieved.

Prime Minister Briefs Media on Asia Tour

PM0711111191 Vilnius EKHO LITVY in Russian 24 Oct 91 p 2

[ELTA report: "Prime Ministerial News Conference"]

[Text] Lithuanian Prime Minister Gediminas Vagnorius returned from a trip around the countries of South Asia the other day. A news conference was held at Government House, where the prime minister briefed journalists on the work carried out by the government delegation at talks in Bangkok, the Thai capital, with representatives of the World Bank and the IMF and with representatives of international financial organizations and foreign governments and described the results of his visits to Japan and the Republic of Korea.

In the prime minister's opinion, the fact that Lithuania could become a member of the World Bank and the IMF next summer should be seen as positive. These organizations have already been presented with draft programs for the development of certain sectors of the economy and certain important construction projects prepared by the Lithuanian Government. It can be hoped that the question of financing certain of them will be resolved in a positive way. Membership of the aforementioned organizations, the prime minister observed, will help us integrate ourselves more extensively in the activity of other world economic structures.

Lithuania can count on real help from the international organization, which unites 24 developed countries and provides aid to the states of central Europe. This was discussed in Japan. An exchange of opinions also took place there on treaties concerning investment protection. The Republic of Korea, which is interested in gaining a foothold in the European market, could become a good partner in economic and trade cooperation, Gediminas Vagnorius said. That country's entrepreneurs should have favorable conditions in Lithuania to organize the manufacture of goods in demand on the international market and which could be sold both here and in neighboring countries. To this end it is planned to sign treaties with the Republic of Korea on trade, investment protection, and the nonapplication of dual commodity taxes.

It is also planned to sign similar treaties liberalizing economic and trade relations with other countries and commercial organizations.

The conditions required for Lithuania to open its doors to both the West and the East do exist, the prime minister stressed. However, we will have to make up the gap, or more precisely, overcome our backwardness, even compared with developing countries, by relying on our efforts and by, above all, speeding up economic reform. At the same time we must strive to eradicate more quickly bureaucracy and slowness in executing government decisions, because even simple things become a problem: the division of plots of land, the nondelivery of available goods, and disregard of foreign entrepreneurs' interests.

Gediminas Vagnorius answered journalists' questions at the news conference.

Prime Minister on Introduction of Currency

LD0611133991

[Editorial Report] Vilnius Radio Vilnius Network in Lithuanian at 1700 GMT on 5 November broadcasts a 4-minute report from the parliament studio by correspondent Janina Mecelicaite on this morning's report to parliament by Prime Minister Gediminas Vagnorius.

The correspondent says Vagnorius spoke about the introduction of Lithuanian currency and the people's savings in rubles accummulated in the republic's saving banks. He said it is only natural that people are rather concerned about the exchange rate. The prime minister also spoke about the difficulties of an early introduction of the currency.

Vagnorius says: "I do not think we will be able to do this speedily. First of all, because of the political circumstances. I have already mentioned, and I would like to repeat this, that first of all we must sign a treaty for the coming year, an economic treaty. I would like to have this first and then wait until our neighbors set up governments. Later certain structures will appear with which we would be able to discuss the issue of settling accounts once the currencies have undergone a change." He also says that at the moment "there are no governments either in Russia or the Soviet Union or anywhere else for that matter with which these issues could be discussed. Therefore, it would be simply very difficult to continue trade with these countries—or perhaps for some this would serve as an argument to say that the trade links should be discontinued. Of course, these arguments do not come from the Lithuanian side."

Gediminas Vagnorius goes on to say that the introduction of Lithuanian currency is a political issue, therefore this step should be taken with great care and consideration.

Ruble Rate Suggested for New Currency

PM0511171791 Moscow PRAVDA in Russian 4 Nov 91 p 1

[Untitled report from PRAVDA, TASS roundup under the "Newsbeat" rubric]

[Text] Lithuanian Bank Chief V. Valdisis has expressed the opinion that when the republic introduces its own currency—the lita—the best option would be a ruble-lita exchange rate of 10:1. It is possible that this step would encourage the lita's move toward convertibility.

Interpol Admits Republic to General Assembly

OW0611044591 Moscow BALTFAX in English 1707 GMT 5 Nov 91

[Transmitted via KYODO]

[Text] On November 4, the 60th session of Interpol's General Assembly admitted Lithuania to this organization.

On Monday [4 November], Mongolia, Vietnam and Albania also became Interpol members.

Interpol was instituted in 1923 and has 158 members. The 60th session of the General Assembly was attended by Lithuania's Vice-Premier, Zigmas Vaisvila.

Mandates of Non-Lithuanian Deputies Revoked

LD0511212991 Vilnius Radio Vilnius Network in Lithuanian 1800 GMT 5 Nov 91

[Text] Taking into account the fact that only those individuals possessing Lithuanian citizenship are to be Lithuanian Municipal Council and Supreme Council deputies, and inasmuch as the two-year period allotted for the total implementation of the citizenship law expired on 4 November 1991, the Lithuanian Supreme Council has resolved to discontinue from 5 November 1991 the mandates of those Lithuanian Municipal Council and Supreme Council deputies who have not decided to accept Lithuanian citizenship.

Federation Affairs

Yeltsin Issues Decree Reorganizing Government

LD0611232591 Moscow TASS International Service in Russian 1930 GMT 6 Nov 91

[Text] [no dateline as received] Boris Yeltsin's decree on the reorganization of the government under the conditions of reform:

Decree of the President of the Russian Soviet Federative Socialist Republic [RSFSR] on the Organization of the Work of the RSFSR Government Under the Conditions of Economic Reform, in Order to Organize the Effective Management of the RSFSR National Economy and in Order to Ensure the Work of the Council of Ministers of the RSFSR Government Under the Conditions of Radical Economic Reform

I decree:

1. For the duration of the implementation of radical economic reform, to form the RSFSR Government headed directly by the RSFSR president and consisting of: first deputy chairman of the RSFSR Government; deputy chairmen of the RSFSR Government; presidents (chairmen of the councils of ministers) of the republics within the RSFSR; RSFSR ministers. The structure of the RSFSR Government should be confirmed in accordance with Supplement No. 1 to the present decree.

2. To establish that the RSFSR Government adopts at its sittings resolutions and instructions on the results of considering the most important issues of the economic and sociocultural construction and state administration.

It is exclusively at the RSFSR Government's sittings that:

—issues of preparing the draft RSFSR state budget, issues of the current implementation of the RSFSR state budget, and issues of forming and using the state budget funds are considered;

—acts of USSR bodies corresponding to RSFSR legislation and to the interests of the RSFSR and its republics are considered;

—draft programs of the economic and social development of the RSFSR and individual regions of the RSFSR are considered;

—the amount of state securities put into circulation and the limits for increasing the state internal and external debt are set;

—lists of products, goods, and services are established for which fixed state prices are employed;

—proposals are considered for establishing and altering customs payments and taxation rates for the production of particular types of goods and services, either in particular spheres of activity or for particular categories of citizens;

—draft annual programs for the privatization of state property and proposals on the main areas for the utilization of the resources obtained from privatization are approved.

And in accordance with existing legislation:

—decisions are adopted on the drafting and submission to the RSFSR president of proposals on forming and abolishing RSFSR ministries and departments;

—decisions are made on signing intergovernmental agreements on matters relating to conducting the government of the RSFSR.

Sittings of the RSFSR Government are held under the leadership of the RSFSR president. In the absence of the RSFSR president, the sittings are upon his instructions held by the first deputy chairman of the RSFSR Government. The RSFSR vice president is entitled to take part in the sittings of the RSFSR Government with a consultative voice.

A sitting of the RSFSR Government is considered lawful if over half of the total number of RSFSR ministers are attending. All decisions are adopted by a majority of votes of the members of the RSFSR Government attending the sitting. In the event of a tie, the decision for which the chairman has voted will be deemed adopted.

Decisions adopted by the RSFSR Government are signed by the RSFSR president, and in his absence or upon the instructions of the RSFSR president, by the first deputy chairman of the RSFSR Government. Orders of the RSFSR Government are signed by the RSFSR president and upon his instructions by the first deputy chairman of the RSFSR Government and deputy chairmen of the RSFSR Government on issues which fall within their jurisdiction. Decisions and orders of the RSFSR Government can be canceled by the RSFSR president. The issues of organizing and carrying out the sittings of the RSFSR Government, as well as the issues of setting out the adopted decisions, are regulated on the basis of decrees and orders of the RSFSR president. RSFSR state advisers have a right to attend the sittings of the RSFSR Government in a consultative but nonvoting capacity.

3. A collegium of the RSFSR Government, under the leadership of the RSFSR president, is to be set up in order to work out recommendations on the preparation and provisional examination of draft resolutions of the RSFSR Government and also for the operational resolution of urgent issues of state administration. The collegium is to be composed of: first deputy chairman of the RSFSR Government; deputy chairmen of the RSFSR Government; the RSFSR minister of foreign affairs; the RSFSR minister of internal affairs; the RSFSR minister for the press and the media; and the chairman of the RSFSR Committee for State Security. The RSFSR vice president is also to participate in the work of the collegium of the RSFSR Government.

The RSFSR president can change the composition of the collegium of the RSFSR Government.

The chairman of the RSFSR Central Bank and the RSFSR state adviser on legal policy are to participate in the work of the collegium of the RSFSR Government in a consultative but non-voting capacity.

The sessions of the collegium of the RSFSR Government are to take place under the chairmanship of the RSFSR president (and in his absence under the chairmanship of the first deputy chairman of the RSFSR Government) with the participation of more than half of the overall number of members of the collegium. The resolutions worked out during the sessions of the collegium are to be laid down in the protocol of the collegium's session. They can come in the form of a decree of the RSFSR Government or, if the RSFSR president sees fit, as a decree of the RSFSR president.

4. The RSFSR president heads the RSFSR Government, and conducts its sittings and signs decisions adopted by the RSFSR Government. The RSFSR president supervises the RSFSR Ministry of Defense, the RSFSR State Security Committee, and the RSFSR Internal Affairs Ministry. The RSFSR president has a right to make it incumbent upon the first deputy chairman of the RSFSR Government to implement his individual powers.

5. The first deputy chairman of the RSFSR Government organizes the work of the RSFSR Government, deputy chairmen of the RSFSR Government, and RSFSR ministries and departments. The first deputy chairman of the RSFSR Government issues binding orders regarding the issues of the organization of the activities of the RSFSR governments and the subordinate bodies of state administration, excluding matters which fall within the jurisdiction of the RSFSR president and the RSFSR Government.

6. Deputy chairmen of the RSFSR Government, upon the instruction of the first deputy chairman of the RSFSR Government: perform certain of his duties; coordinate the activities of the ministries and departments of the RSFSR which are under their jurisdiction; issue within the limits of their competence orders which must be fulfilled on a compulsory basis; and exercise interaction with the governments of Union republics and the councils of ministers of the RSFSR's republics.

7. Members of the RSFSR Government: have the right to submit proposals to the RSFSR Government for considering questions within the RSFSR Government's competence and to initiate the elaboration of decisions of the RSFSR Government; carry personal responsibility for the spheres of activities they have been entrusted with; have no right to take other posts in state or public organs, enterprises, establishments, and organizations. They have no right to engage in entrepreneurial activities.

Ministers of the RSFSR independently adopt decisions on questions of state administration concerning the spheres of activity with which they are entrusted, apart from questions which are discussed exclusively at meetings of the RSFSR Government and also questions needing to be coordinated, in accordance with the established procedure, with other ministries and departments of the RSFSR.

Ministers of the RSFSR independently organize cooperation with the ministries and departments of the USSR and also with ministries and departments of the Union republics within the framework of their competence.

8. The vice president of the RSFSR implements cooperation between the government of the RSFSR and the administrative structures under the president of the RSFSR and upon instructions from the president of the RSFSR carries out other organizational and monitoring functions within the framework of the powers granted by the president of the RSFSR.

For the period during which the economic reform will be carried out, for the purposes of the operational supervision of its implementation, a center for the operational supervision of the progress of reforms is being set up, which will be composed ex officio of the leaders of governmental bodies in accordance with Supplement No. 2 appended to this decree. The powers, structure, and operating procedures of the center are established by the president of the RSFSR. The leadership of the center is entrusted to the vice president of the RSFSR.

Decisions adopted by the center for the operational supervision of the progress of reforms are advisory in nature, and are subject to immediate examination by the RSFSR Government and RSFSR ministries and departments.

9. To form the apparatus of the RSFSR Government on the basis of industrial branches of the administration of affairs of the administration of the RSFSR president [upravleniya delami administratsii prezidenta RSFSR] and the apparatus of the chairman of the RSFSR Council of Ministers and deputy chairmen of the RSFSR Council of Ministers; to include the apparatus of the RSFSR Government as an independent structural subdivision into the administration of the RSFSR president. The leadership of the apparatus of the RSFSR Government is conducted by the first deputy chairman of the RSFSR Government. He confirms the structure and allocation of staff of the apparatus of the RSFSR Government.

The estimated expenses of the apparatus of the RSFSR Government are confirmed by the RSFSR president once they are put forward by the first deputy chairman of the RSFSR Government.

10. To establish that leaders, officials, and specialists of ministries, RSFSR state committees, RSFSR committees and departments, and also of subdivisions of the RSFSR Government which are under reorganization and the administration of affairs of the administration of the RSFSR president, continue to perform their official

duties until a new composition of the RSFSR Government and its apparatus are formed in accordance with the present decree.

11. To recognize as invalid the decrees of the RSFSR president No. 12 of 19 July 1991; No. 46 of 14 August 1991; No. 47 of 14 August 1991; No. 56 of 16 August 1991; No. 58 of 16 August 1991: No. 88 of 26 August 1991; No. 112 of 11 September 1991; No. 114 of 10 September 1991: No. 118 of 13 September 1991; No. 137 of 30 September 1991; and No. 150 of 22 October 1991.

12. To bring the present decree into operation from the moment of its signing.

[Signed] B.N. Yeltsin, RSFSR president

[Dated] Moscow, the Kremlin, 6 November 1991

Supplement 1 to Decree

LD0611235991 Moscow TASS International Service in Russian 1929 GMT 6 Nov 91

[Text] [no dateline as received] **Supplement No. 1 to the Decree of the Russian Soviet Federated Socialist Republic [RSFSR] President of 6 November 1991**

Structure of the RSFSR Government:

The president of the RSFSR is the head of the government of the RSFSR.

The first deputy chairman of the government of the RSFSR directly coordinates and organizes the work of:

—the Ministry of Foreign Affairs of the RSFSR;
—the Ministry of the Press and Mass Information of the RSFSR;
—the Ministry of Justice of the RSFSR.

The deputy chairman of the government of the RSFSR for economic reform directly coordinates and organizes the work of:

—the Ministry of the Economy and Finances of the RSFSR;
—the State Committee of the RSFSR for the Management of State Property;
—the State Committee of the RSFSR for Antimonopoly Policy and Support for the New Economic Structures;
—the Ministry of Industry of the RSFSR;
—the Ministry of Agriculture and Food of the RSFSR;
—the Ministry of Transport of the RSFSR;
—the Ministry of Communications of the RSFSR;
—the Ministry of Fuel and Power Engineering of the RSFSR;
—the Ministry of Geology and Use of Natural Resources of the RSFSR;
—the Ministry of Architecture, Construction, and Communal Services of the RSFSR;
—the Ministry of Trade and Resources of the RSFSR;
—the Ministry of Science and Technical Policy of the RSFSR;
—the State Committee of the RSFSR for the Social and Economic Development of the North.

A deputy chairman of the government of the RSFSR directly coordinates and organizes the work of:

—the Ministry of Health of the RSFSR;
—the Ministry of Labor and Employment of the Population of the RSFSR;
—the Ministry of Education of the RSFSR;
—the Ministry of Culture of the RSFSR;
—the Ministry of Social Protection of the Population of the RSFSR.

A deputy chairman of the government of the RSFSR directly coordinates and organizes the work of:

—the Ministry of Internal Affairs of the RSFSR;
—the Ministry of Defense of the RSFSR;
—the State Security Committee of the RSFSR;
—and also organizes cooperation with the presidents (chairmen of the councils of ministers) of the republics within the RSFSR.

Supplement 2 to Decree

LD0611234491 Moscow TASS International Service in Russian 1952 GMT 6 Nov 91

[Text] [no dateline as received] **Supplement No. 2 to the Decree of the Russian Soviet Federated Socialist Republic [RSFSR] President of 6 November 1991**

The membership of the Center for the Operational Supervision of the Progress of Reforms:

—RSFSR vice president;
—chairman of the Committee for Ecology, Public Health, and Epidemiological Supervision, supervision of the safety of work in industry, mining supervision, and radiation safety, attached to the RSFSR president;
—chairman of the Committee for Protection of Economic Interests, attached to the RSFSR president;
—chairman of the Committee for Conversion Affairs, attached to the RSFSR president;
—chairman of the Customs Committee, attached to the RSFSR president;
—leader of the state tax inspectorate, attached to the RSFSR president;
—leader of the state insurance supervision, attached to the RSFSR president.

Yeltsin To Head Government During Reform

LD0611194191 Moscow TASS International Service in Russian 1908 GMT 6 Nov 91

[Text] Moscow, 6 Nov (TASS)—The Russian president is to head the Russian Soviet Federated Socialist Republic [RSFSR] Government for the duration of the economic reform; this was stated in Boris Yeltsin's decree "On the Reorganization of the RSFSR Government" signed today. In accordance with this document, suggestions regarding the reorganization of the government should be submitted by the vice president and the RSFSR secretary of state within three days. It was made incumbent upon the RSFSR Council of Ministers to execute its duties until a new Russian Government is formed.

Bans Communist Activities

LD0611220591 Moscow TASS International Service in Russian 1919 GMT 6 Nov 91

[Text] Moscow, 6 Nov (TASS)—The following is the full text of the decree "On the Activites of the CPSU and Russian Soviet Federated Socialist Republic [RSFSR] Communist Party" issued by Russian President Boris Yeltsin which was made public here today:

The events of 19-21 August made it very obvious that the CPSU has never been a party. It was a special mechanism to form and implement political power by integrating it with state structures or by subordinating them directly to the CPSU.

The leading CPSU structures were implementing their own dictatorship and were setting up, at the expense of the state, a property basis for unlimited power.

This was confirmed in the course of open hearings at the RSFSR Supreme Soviet dedicated to the role of the CPSU in the coup d'etat of 19-20 August.

The CPSU leading structures, which have basically absorbed the state and which have been using it as their own instrument, are responsible for a historical impasse into which the peoples of the Soviet Union were pushed and for the disarray in which we found ourselves.

The activities of these structures were manifestly against people and against the Constitution. They were directly connected with stirring up religious, social, and national strife among the peoples of the country. They were encroaching upon fundamental human and citizens' rights and freedoms recognized by the entire international community.

The anticonstitutional coup of 19-21 August that was supported by the CPSU leadership served as the natural end of its political activities.

In spite of the measures adopted in relation to these structures, they did not stop their unlawful activities aimed at further worsening the crisis and creating conditions for a new coup against the people.

It has become clear that while the CPSU structures exist there can be no guarantees against another putsch or coup taking place.

Attempts to blacken the names of millions of ordinary members of the party who have nothing to do with the arbitrary rule or force carried out in their names or to introduce a ban on them in the professions is not to be tolerated, but attempts to reanimate the gigantic mechanism of the Communist Party machinery and to give it the opportunity to trample the shoots of Russian democracy are likewise not to be tolerated.

Taking into account that the RSFSR Communist Party has not been registered properly and that the earlier registration of the CPSU by the USSR state bodies that were directly in charge of the CPSU Central Committee was carried out with blatant violations of the law and therefore, in the RSFSR, does not have legal force, and on the basis of the implementation of Articles 7 and 121-4 of the RSFSR Constitution, I resolve:

1. To put a stop to the activities in the RSFSR of the CPSU, the RSFSR Communist Party, and to dissolve their organizational structures.

2. To eliminate the possibility of the state bodies of RSFSR executive authority in krays, oblasts, autonomous oblasts, autonomous okrugs, and in the cities of Moscow and St. Petersburg as well as the procuracy bodies from persecuting RSFSR citizens for belonging to the CPSU or to the RSFSR Communist Party.

3. The property of the CPSU and the RSFSR Communist Party in the RSFSR is to be handed over to state ownership. The RSFSR Council of Ministers is to supervise the handover of the property in the RSFSR belonging to the CPSU and the RSFSR Communist Party as well as its coming under the jurisdiction of the bodies of state administration in the RSFSR and in the republics within the RSFSR.

4. The RSFSR Council of Ministers, the RSFSR ministries and departments, the relevant RSFSR executive bodies in the republics, krays, oblasts, autonomous oblasts, autonomous okrugs, and the cities of Moscow and St. Petersburg are to adopt the necessary measures to ensure the immediate and thorough implementation of this decree.

Appoints Burbulis Deputy Chairman

LD0711103491 Moscow TASS International Service in Russian 1003 GMT 7 Nov 91

[Text] [no dateline as received] **Decree of the President of the Russian Soviet Federated Socialist Republic [RSFSR] on the Appointment of the First Deputy Chairman of the RSFSR Government**

Gennadiy Eduardovich Burbulis, RSFSR state secretary, is to be appointed first deputy chairman of the RSFSR Government.

[Signed] RSFSR President B. Yeltsin, Kremlin, Moscow.

[Dated] 6 November 1991

Names Gaydar Deputy Chairman

LD0711104691 Moscow TASS International Service in Russian 1004 GMT 7 Nov 91

[Text] [no dateline as received] **Decree of the President of the Russian Soviet Federated Socialist Republic [RSFSR] on the Appointment of the First Deputy Chairman of the RSFSR Government**

Yegor Timurovich Gaydar is to be appointed deputy chairman of the RSFSR Government with responsibility for economic policy issues.

[Signed] RSFSR President B. Yeltsin, Kremlin, Moscow
[Dated] 6 November 1991

Appoints Shokhin Deputy Chairman

LD0711105691 Moscow TASS International Service in Russian 1015 GMT 7 Nov 91

[Text] [no dateline as received] **Decree of the President of the Russian Soviet Federated Socialist Republic [RSFSR] on the Appointment of Deputy Chairman of the RSFSR Government**

Aleksandr Nikolayevich Shokhin is to be appointed deputy chairman of the RSFSR Government with responsibility for social policy issues.

[Signed] RSFSR President B. Yeltsin, Kremlin, Moscow
[Dated] 6 November 1991

Supreme Soviet Committee Discusses KGB Reform

OW0611004991 Moscow INTERFAX in English 1945 GMT 5 Nov 91

[Transmitted via KYODO]

[Text] The KGB's budget last year totaled 5.2 billion rubles, of which up to 70 percent came from Russia. The budget of the Russian security service which is now under formation will amount to an estimated 1.6 billion. These figures were cited at a meeting of the RSFSR [Russian Soviet Federated Socialist Republic] Supreme Soviet's Security Committee on Tuesday [5 November] by the first deputy chief of the Russian KGB Vladimir Podelyakin. He said the republican KGB staff includes 22,000 officers and nearly as many privates, sergeants, and free-lancers.

According to IF's [INTERFAX] reporter, the committee approved Boris Yeltsin's draft decree reforming the republican KGB into a federal security agency. Before next Tuesday, it will draw up a resolution and suggestions on the draft decree and submit them to the RSFSR president. Before the year's end, the committee will submit to the RSFSR Supreme Soviet a draft law on the federal security agency.

The Moscow KGB chief Yevgeniy Sevostyanov told IF that Mr. Yeltsin had instructed the RSFSR State Council to discuss the expediency of preserving the law on the USSR KGB (passed last spring) in effect on Russia's territory.

Russian Reforms Face 'Silent Resistance'

PM0611123191 Moscow IZVESTIYA in Russian 5 Nov 91 Union Edition p 1

[I. Yelistratov report: "It Was Not for Nothing That Khasbulatov Called the Congress Historic"]

[Text] Wrapping up the Congress, R. Khasbulatov, chairman of the Russian Soviet Federated Socialist Republic Supreme Soviet, employed the definition "historic" in his concluding speech, and it grated on the ears. We have, nonetheless, learned something recently, if only to knit our brows on hearing something like "epoch-making" or "grand." It is clear to everyone that the country (Russia) is so thickly plastered with food coupons, protest posters (against anything), and statements about sovereignty that there is no longer any "epoch-making" space left for anything.

Nevertheless, it was not for nothing that Khasbulatov called the Congress historic. Only this adjective has a different conceptual meaning today, and the Congress promised no "bright future," as used to be the case with party forums. On the contrary, the final period in the stenographic reports of the Fifth Congress is followed by a huge question mark: What now?

A difficult fate had been prophesied, and not without grounds, for the gathering of Russian people's deputies which has just ended. The questions included on the agenda could only have been resolved with the help of lengthy and tedious procedures, debates, and discussions.

If it had not been for the Russian president... With his address he weighed down the Congress and opened wide such an abyss of responsibility for the fate of the state that many items on the agenda simply fell by the wayside because of their insignificant and secondary nature. The Congress refuted all the pessimistic forecasts and, despite them, proved to be practically the most fruitful of all that have been held, and most importantly, the Congress—this obstinate Congress torn by factional struggles and political disagreements—gave the Russian president "carte blanche" to implement reforms which mark the initial stage in building a new society.

So what happened to the obstinate corps of deputies? The first, superficial impression from conversations with deputies and from the very course of the Congress suggests that what happened had many meanings. Different deputies were guided by totally different motives when voting. Some were motivated by awareness of the fact that society is standing on the edge of an abyss and that it is impossible to manage without radical reforms, otherwise there will be total collapse and chaos. Others seemed indifferent—do what you like. Yet others were ready to grant Yeltsin all powers—let him fail and be swept aside, and then we will appear on the scene. There were also those who fought against the president's demands—the "Smena" and "Radical Democrats" deputies' factions which appeared in the role of defenders of "pure democracy" and not opponents of reforms. Despite all the justice of the demands for purity of democracy and the need for parliamentary control over reformist actions, the ardor of these factions' representatives sometimes seemed misplaced, since the president, to judge from documents submitted to the Congress, was certainly not taking power away from parliament but, on the contrary, inviting cooperation.

Of the three approaches to voting, the greatest danger is posed by the third one, which is characteristic of the once-powerful "Communists of Russia" group. In this connection the opinion was expressed that such smooth work by the Congress is accounted for by the collapse of its pro-Communist wing and that ideological disagreements have been ended. Alas, this is a starry-eyed dream rather than a fact.

True, Communists are no longer lined up "at attention" on Staraya Ploshchad, and the agenda voting order is not read to the ranks. True, the Congress supported President Yeltsin's "declaration of resolute intent," and the chorus which previously adjured people to prevent "Yeltsin's dictatorship" broke down into individual cries from the microphones.

All this is so, but here is one, very alarming fact: R. Khasbulatov failed to lead the Congress to a decision which could have been considered one of the chief decisions: to lift the 10-year moratorium on buying and selling plots of land. Having silently heard convincing arguments "for," the Congress stubbornly voted "against." There is a dangerous force hidden in this silent resistance. On leaving the sessions hall, the opponents of reforms will go back to their work places and take up the levers of management or the brake levers, and they will act in the provinces just as quietly as in the hall.

During the discussion of Russia's socioeconomic position certain deputies manipulated purely lumpen slogans: the impoverishment of the masses, the plundering of Russia by foreigners, an invasion by new moneybags, etc., while putting nothing constructive into the program of reforms. Of course, B. Yeltsin shouldered colossal responsibility by starting the economic transformations in the country, where nine people out of every 10 confuse concession with confession and conversion. This fact could be to the advantage of the "silent ones," who refused to give people land and thereby proved Yu. Chernichenko right. He said in the recent parliamentary hearings on the "case of the CPSU": "There will be no reforms until the land has been taken away from the party. It is the party's strength. It will die rather than give it up."

In such a situation the statement by the coordinating council of the "Democratic Russia" movement on its intention to set up public committees in support of reforms in all oblasts and republics appears a sensible and extremely necessary act, and nearly the most important task of these committees will be to counteract the wave of lumpen propaganda which, given the difficulties which have become apparent, will inevitably be raised by the former communist structures which have already proclaimed themselves the sole defenders of the people's masses.

Economist Views Yeltsin's Economic Program

PM0511132191 Moscow PRAVDA in Russian 5 Nov 91 pp 1, 3

[Interview with economist Vasiliy Selyunin by Yu. Makhrin under the "Conversations on Current Topics" rubric; place and date of interview not given; "Vasiliy Selyunin: 'Brinkmanship Might Still Work'"—first paragraph is introduction]

[Text] On the day the fifth Russian congress opened, right after B. Yeltsin's speech, I asked the famous economist to comment on the Russian Soviet Federated Socialist Republic [RSFSR] president's program. He refused: "It has to be thoroughly studied." It was only on the day the congress ended that Vasiliy Selyunin agreed that I should switch on the tape recorder.

[Selyunin] It looks as if, at long last, we are moving on from words to deeds, and reforms will get under way in Russia. What underlies the program proposed by Yeltsin? Privatization of property, and this has been bluntly stated. Of course, the first to be privatized must be the trade and consumer service enterprises. This is logical: I cannot imagine free prices in state-owned stores. The next stage involves the privatization of medium and large enterprises. He said: Let there be a mixed economy. But the private sector must be dominant. I would include joint stock enterprises in the private sector.

PRAVDA's readers may not be too happy with the fact that what has been state-owned will be private. As a matter of fact, the argument about efficiency in the private and state-owned sectors went on even prior to October 1917. Let us recall Leskov. One of his short stories contains the following sentence: "Let me look after the state-sponsored sparrow, and I will have roast piglet for supper every day."

What amazes me here is not the fact that roast piglet will be served, but this official's modest requirements. A similar situation in our time would produce a huge establishment staffed by people to feed and look after this sparrow—chief animal technician, veterinary surgeon...

[Makhrin] Chief economist, junior economist...

[Selyunin] Quite, and before you know it a head office would be set up and the chief would be riding around administrative circles in a black "Volga," negotiating funding for the unfortunate sparrow's upkeep. Such an official would even have the cheek to travel abroad for exchange of experience.

The sparrow—the state-sponsored sparrow—will die eventually. But this will have no effect at all on the head office's future, it will expand further still and will tackle sparrowization all over the country.

[Makhrin] We are past masters in expanding the management apparatus. But there are plenty of prosperous state enterprises.

[Selyunin] Major enterprises must also be privatized.

[Makhrin] Does Yeltsin say this?

[Selyunin] Yeltsin's report does not say so, but the Russian law on privatization does. Market means private ownership, all the rest are market technicalities.

Generally speaking, Boris Nikolayevich's report is a consistent market program, and it will work provided it is energetically implemented. Time is, alas, running out. He said: Six more months of worse times for everyone. This may be somewhat optimistic. True enough, he put it delicately, saying that the situation would stabilize by next fall—in about a year's time. This is closer to the truth.

[Makhrin] Travkin's appraisal was different: This is a political report, he said, with no economics in it.

[Selyunin] I disagree with Nikolay Ilich. The program is economic. It is a different matter that it contains some unpolished elements and even reefs. Some aspects may not work out. Things are not quite in order as regards money.

We have lost our money as measure of value, nothing can be measured in ruble terms any more. Meanwhile, nowadays we can hear financiers' assurances that they are planning the ruble's recovery and even its convertibility in time. Listen, what sort of recovery?! The printing presses are already overheating, churning out 200- and 500-ruble notes. We might as well mint coins out of moonlight silver or Levitan's fall gold! So much for actual cash, but when it comes to non-cash funds—and this applies to the bulk of money circulation—the situation is even worse. Expenditures are spiraling higher and higher in all republics. Thus, the ruble's recovery is impossible. But since Russia has signed the economic agreement which provides for a single currency—the ruble—we come up against the "but." This "but" also appears in the RSFSR president's program: We are not introducing Russian money yet, we are still trying to retain a single currency. This is delaying the reforms. Reforms without a reliable currency are doomed.

I expected the following statement: Russia will introduce its own money and will do so swiftly, as soon as it is technically possible. Lits, lats, and kroons have already been printed. Belarus [Belorussia] will have its talers and Moldova its ducats. Before you know it, there will be piasters or gamsakhurds. The republics which abolish the ruble in good time will gain. The rubles will flood the remaining ruble zone. This will be yet another blow against Russia. We are taking too long a time over the introduction of Russian money.

[Makhrin] Mischievous people in Odessa have rushed ahead of Russia and launched a new currency—the "yeltsin." There is evidently some reason behind this joke.

[Selyunin] Yes. Yeltsin's program lays down rigid conditions: Even if one single republic introduces its own currency within the ruble zone, Russia would do exactly the same.

[Makhrin] And what will the Russian currency be? Convertible?

[Selyunin] If its own republican currency is to be introduced, it should be introduced immediately so as to make it convertible, otherwise there would be no point.

[Makhrin] As far as I know, Russia's budget deficit now stands at 100 billion.

[Selyunin] This is what the deputies voted. And they just voted a further 100 billion when they introduced indexation of the population's incomes, even though the exchequer does not have even 100 rubles. I read the law on indexation and it made my hair stand on end. But then I thought to myself: If I had been a deputy, I would also have voted for this indexation. Why? All the republics are boosting their population's money income so as to give people a better life in this ruble zone. Should Russia be the only one to say: No, this should not be done, the ruble must be protected against devaluation?

[Makhrin] And yet the deputies adopted this law not under pressure by trade union pickets but under political pressure.

[Selyunin] Yes, this is a populist policy, it is perfectly ineradicable in this vast zone where autonomous states already exist, and as for the common currency, nobody will grieve over this common currency, be it cash or non-cash. All populist programs will be adopted by acclamation in each republic, without anyone worrying whether there is money to fund them or not. This is because the money comes out of the common pot.

We need a balanced budget, otherwise the new Russian ruble, if we were to introduce it, will suffer the same fate—it will become monopoly money. Our budget has to be balanced from two directions. You raise incomes, but you reduce expenditures. There is no other alternative.

Yeltsin said that administrative costs must be reduced, aid to other states must be stopped, and so on. But all this is small fry, peanuts. The budget deficit is caused by colossal and unbearable military expenditures.

Let us compare: The United States spends less than 6 percent of GNP, Japan spends 1 percent, and we spend 25-30 percent. Therefore, what should have been said is not that we would effect significant cutbacks, but this: As of Monday we cease military production and payments for defense orders. I expected this from him, from Yeltsin. There is a surplus of missiles, aircraft, and firearms. Here is something curious: Some people rivet these tanks together, others destroy them. Are we ever going to lead a better life?

I am not all that keen on Boris Nikolayevich's idea that Russia is completing the elaboration of a far-reaching conversion program. Does this mean yet another program being handed down from the top? We are swimming in such programs already! Not a single one of them has ever been implemented. Defense industry enterprises have the best qualified people, the elite of the intelligentsia and the workers, let them decide for themselves what to produce. That is when conversion will take off.

About agriculture. Yeltsin is right, of course: No matter how much money you pump into them, kolkhozes and sovkhozes will never feed the country. Even if you spoon-feed them, nothing will happen. Therefore, we should rely on the private farmer, the one-man operation. Matters are moving that way. We already have 30,000 personal farms. And they are not all that small, either—45 hectares each on average...

[Makhrin] But many are still in the spade age...

[Selyunin] Spades will not be of much help. Boris Nikolayevich says: We will give farmers 24,000 tractors, 22,000 trucks, and plenty of other equipment. This is just a drop in the ocean, we will need several million of them. He says that that we will spend $100 million to buy farming equipment abroad. This is good and correct. After all, hitherto Russia has been receiving one-half of the Union's total output. And output amounted to 600,000 tractors a year. Farmers could be given more than 24,000 tractors right away. Trucks are manufactured almost exclusively in Russia—700,000 of them. Again, we could give more than 22,000. I think that these figures are just guidelines. Boris Nikolayevich himself has doubts whether it will work out or not.

[Makhrin] Many of our deputies expected stronger support for the countryside.

[Selyunin] It is more than just a question of tractors and machinery. Will Yeltsin find an energetic administrator to be put in charge of land reform? And will a vertical management structure be built? Let us look at the experience of the grand reform in the 1860's. The situation was grim then. They also had conflicts: Land owners wanted to retain their holdings, peasants wanted to take the land. Thus, the decisions by the center's envoys who headed these land commissions were final and nobody could dispute them. Now we need again such a vertical management structure.

[Makhrin] But it does exist—the Russian president's envoys are already in place—administration heads, governors-general. And they are already ruling the countryside and medicine, being... drainage specialists. How do they differ from commissars in the past, even though they no longer wear leather greatcoats?

[Selyunin] What I meant were representatives of the Committee for Land Reform. They must be given power, they must be resolute and firm people.

[Makhrin] Like those who implemented collectivization?

[Selyunin] Laws must be implemented! And now the center is saying: Give people land. Kolkhoz chairmen are not giving it.

[Makhrin] Vasiliy Illarionovich, you are well aware that cooperative agriculture exists in Sweden, in Israel, and in many other countries. By no means all of our kolkhozes and sovkhozes are being spoon-fed by society. Workers in Belgorod Oblast's special farms produce so much meat that private farmers are not fit to hold a candle to them. What is to happen to these farms—put them to the hammer?

[Selyunin] Villages are being depopulated. This is an objective process. No matter how much you reinforce the kolkhozes, the outflow will continue and villages will be depopulated.

[Makhrin] Different kolkhozes—different villages. Stock breeders are recruited on a competitive basis—yes, this also happens. Those selfsame people in Belgorod Oblast say: Don't come to us with state orders and advice, don't fleece us. They, being modern peasants, say: We are the producers, give us a free hand. And yet you want to implement reform at the peasant's expense.

[Selyunin] I don't know at whose expense!

[Makhrin] Come on, now: 100,000 rubles for a combine harvester and just 10 rubles per quintal of grain. This is what has been happening all along. And now people all over Moscow are screaming: Take the kolkhoz member's land away!

[Selyunin] We are not taking it away from them, we are giving it to them. After all, we are not chasing them out of the kolkhoz: If you want to work on the kolkhoz—do so. Only a fool would kill the hen which lays the golden eggs. But we are making them an offer: If you want to, take the land. What sort of dissatisfaction can there be here? For a long time now I have been making suggestions about what to do with kolkhoz land.

[Makhrin] You are contradicting yourself: You accuse Yeltsin of issuing the conversion program from the top once more, and yet you are deciding the kolkhoz members' fate in Moscow. This is what machine operators at the Lenin Kolkhoz in Belgorod Oblast's Rakityanskiy

Rayon think: "As soon as they start parceling out the land, we'll make our way to the city!" Is their voice heard in the capital?

[Selyunin] Let us take another look at the president's report. It does not contain any direct opinions by Boris Nikolayevich on how relations with other states on the former Union's territory will be built. It does say, however, that trade with republics which do not sign the economic agreement will be at world prices. Period. But this was no place for a period. He should have explained: What economic ties will we maintain with republics which do sign? I perceive no difference between Lithuania and Kazakhstan. I perceive no difference in the organization of economic ties, in essence world prices will have to be applied everywhere.

One of the 25 agreements provides that a great hural of states will determine the volumes of interstate deliveries and the prices for them. This method of reaching agreement on volumes and prices was discredited a long time ago. Gorbachev slapped one decree after another: Let us maintain ties at the 1990 level, let us do this or that. Fine, let us! And what happened? Nobody is delivering anything to anyone. Look at delivery data for January-September this year. One-third fulfillment, one-half fulfillment. Under the delivery terms, the Ukraine owes Russia almost 1 million tonnes of sugar. And the Ukraine does have the sugar. But who will deliver goods in exchange for rubles which will buy you nothing?

[Makhrin] But the interrepublic treaties on which Boris Nikolayevich banked so much have not worked out either. Sugar, grain—these are foreign currency reserves.

[Selyunin] Yes, foreign currency. This is why I cannot condemn the Ukrainians—this is the effect of economic laws.

It is necessary to organize trade, rather than economic ties on the basis of edicts and some sort of coordinated prices. Gorbachev has failed, and those grand reformers, believers in economic agreements, will also fail. Let us trade in imaginary dollars! In other words, let us keep a current account. Such-and-such was delivered costing so much at world prices, come year's end we will reckon up who owes how much to whom, and the treaty will be extended. You ship more to us next year. This has to to be approached without any illusions.

Generally speaking, it must be said more sharply: Russia believes that 100 percent of the earnings generated by Russian goods belong to it and nobody else. After all, Russian goods accounted for about 80 percent of the former Union's foreign currency earnings. Here Russia has a wonderful opportunity to take advantage and make the transition to free prices easier for people by buying goods abroad. Russia's earnings this year will be $30-40 billion.

The first task is to get hold of these foreign currency earnings. Not a single cent to the Union, and no credits to be arranged abroad on the center's behalf! Since we have the funds to repay, we will be given credits if we need them. At this point I would like to raise a question, although let me warn that it is only theoretical. Maybe it would be quite sensible for Russia to proclaim itself the Union's legal heir? This will not be all that beneficial for Russia, and I think that when the other republics' chiefs ponder it, they should willingly accept.

Here we are, owing 70 billion [currency not specified] at present. Does it make sense for Russia to take on this debt? Should this happen, it will of course not share the gold reserve, the diamond stocks, and the foreign currency reserve. True enough, the foreign currency reserve is down to zero. Nor should that which is owed to us be shared.

[Makhrin] Free prices are hardly suitable. Is this a blow against the people?

[Selyunin] Free prices are no boon, of course. True enough, Yeltsin has issued an honest warning: Things will be worse for everyone for six months, and even until next fall. But there is no other way. Will Yeltsin's prestige survive the introduction of this unpopular measure and its pursuit to the end? This is the question! The fact that he himself has headed the cabinet and did not appoint someone else is truly exceptional. He himself has gone all out for a breakthrough. Let us recall: The shock therapy in Poland brought about the sacrifice of the cabinet which implemented the reform. Mazowiecki's government did the dirty work and... departed.

Let me repeat: Will Yeltsin's character be strong enough not to succumb to pressure? It is, of course, more than just robbery by taxi drivers or demonstrations by bathhouse attendants. There will be strikes in important sectors. The trade unions will also exert pressure. There will be pressure by strike committees, in the Supreme Soviet, and everywhere else. As long as he does not succumb! As long as Yeltsin marches firmly toward the light at the end of the tunnel.

Pavlov still had a tiny chance when he raised prices on 2 April. But this chance disappeared already on 4 April, it evaporated: Belorussia came to a standstill 4 April, the Ukraine was on the brink of a standstill—and he surrendered. A month later the population won compensation for the price rises.

Thus, if free prices are introduced and we then start satisfying everyone's demands, especially those by well organized detachments of the working class, this will be the end. There will be no reforms, there will be no market!

[Makhrin] I did not find in Yeltsin's program any system of measures to protect at least those on low incomes.

[Selyunin] I am not at all worried by the fact that he did not mention such measures. Let me repeat, I am worried in case something else happens: In case Boris Nikolayevich, drawn by events, adopts populist measures. He is that way inclined! Let us recall: People's deputies at the first congress said: We cannot depart without giving anything to the people. And they raised pensions. Today's Yeltsin would not back such "social protection" because there will be no protection at all if we gave a lot of money to everyone.

[Makhrin] Free prices—are they planned birth pangs for a bright future's sake?

[Selyunin] Yes, some suffering is necessary. It is necessary to let the disease run its course. I firmly believe that brinkmanship might still work. Along the brink of the abyss. Without free prices, without the market—there is no hope of salvation.

New Russian Federation Constitution Viewed

PM0511122891 Moscow IZVESTIYA in Russian 4 Nov 91 Union Edition p 2

[Article by Professor V. Savitskiy, honored scientist of the Russian Soviet Federated Socialist Republic; under the "Events and Commentaries" rubric: "Russia's Crucial Law"]

[Text] The draft new Russian Federation constitution has been published in advance in the press. The exceptional importance of this document for the fate of the peoples of Russia and hence the great responsibility of those who are due to discuss it at the top forum of legislative power, repeatedly highlight the need to carefully consider each word of the Fundamental Law.

Today, a well-known legal scientist considers the draft new constitution.

When you read the draft you can clearly see the crucial task of the constitution: It is to create a political-legal system which in present-day conditions would guarantee the truly free development of the individual and society. But for that, it is necessary first of all to remove the main obstacle—the monopolism in the economy, politics, and culture. That is why the main emphasis in the draft is placed on elaborating and "incorporating" effective antimonopoly mechanisms into the economic, political, and spiritual-cultural structures of social life.

Let us look, for example, at how Russia's economy is outlined in general terms. It represents an economic complex based on market relations and the equal rights of various forms of ownership. The market economy is based on free enterprise, social partnership, and conscientious competition of all components of economic life. Monopolist activity, which is aimed at preventing, restricting, or eliminating competition, is prohibited.

The model of Russia's state system, which precludes the restoration of totalitarian procedures, has been thoroughly worked out. Its constructive elements include the multiparty political system and also the impermissibility of creating the organizational structures of political parties in state organs, the Armed Forces, and paramilitary formations. The multiparty system is not simply being proclaimed. Where necessary a norm must be elaborated which will enable the Constitutional Court to deem unconstitutional all acts and actions leading to the creation of a one-party system.

The bases of the Russian Federation's constitutional system include the principle of the separation of powers into the legislative, executive, and judiciary. The organs of state exercise their powers autonomously, cooperating among themselves and counterbalancing one another. Firm guarantees are needed to ensure that this principle is not violated. The attentive reader will find them in the section of the draft which regulates the system of power and its distribution between individual components (parliament, president, government, judicial organs, and so forth). Ultimately, all these guarantees must ensure the observance of the most important provision: "No part of society, no association, nor individual may arrogate to itself or himself power in the state. The usurpation of state power is the gravest crime."

The right of each individual to freedom of speech and the unhindered expression of opinions and beliefs must serve to eliminate monopolism from society's spiritual life and emancipate it from entrenched dogmas. The draft rejects all monopolization of the mass media, declares them free, and prohibits censorship. It resolutely breaks with the past practice of the mass deception of citizens forced from dawn to dusk to read, watch, and listen to just one doctrine [ucheniye], even if it is the most reliable and most progressive: "No ideology may be established as the official state ideology."

The section of the draft constitution on basic human and civil rights, freedoms, and obligations is central. In depth and detail of elaboration we have never had anything like it before. It is comparable surely only with international pacts on human rights. Furthermore, there is nothing surprising about this similarity: Those pacts formed the basis of this section. I shall deal here with only certain rights and freedoms.

From childhood it has been drummed into us that ignorance of the laws does not free one from liability under the law. And we accepted that submissively, although subconsciously we sensed the falsity of this requirement: After all, if I am unaware of a law how can I observe it and be answerable for it? And that ignorance stemmed primarily from the general atmosphere of secrecy which shrouded law-making, too. As if turning the problem of the provision of information to citizens upside down, the draft introduces a simple rule: "Laws and other legal acts not published officially for general information are not binding."

The right to unhindered acquaintance with any law is a component of citizens' broader right to the receipt of information. The draft constitution ensures each individual the possibility of acquaintanceship with documents and materials directly affecting his rights and freedoms. I hope that this norm will be the basis for the elaboration of a law (similar to that operating in the

United States) on freedom of information, which will bind all state organs and public associations to periodically publish accounts of their activity and to issue to citizens on request copies of documents of interest to them, including dossiers on them.

In arranging a system of guarantees of human rights and freedoms, the authors of the draft with full justification give priority to their protection in court. In the event of tension, either overt or as yet unmanifested, between citizens, society, and the state no matter what its cause, the court must be the only arbiter between the sides in the dispute. The opportunity to freely appeal to the court with regard to the acts of the executive is the prime condition of any freedom.

As for judicial control over legislative activity, the draft introduces two extraordinarily important provisions. First, Supreme Soviet laws and presidential decrees recognized by the Constitutional Court as not conforming with the constitution shall lose force from the day of publication of the Constitutional Court's decision. Second, if a court (any court!), when examining a civil or criminal case, deems that the law to be applied contravenes the constitution it shall suspend proceedings and petition the Constitutional Court to repeal that law.

For the court to have a real opportunity to defend human rights, the draft proposes a fundamentally new method of formation of the courts never previously applied here because of its "bourgeois nature." Judges must be irremovable and remain in office until they reach a certain age. A judge may be released from his post early only on grounds precisely indicated in the law (commission of a crime, serious illness, and so forth). Supreme Court and Constitutional Court judges in the Russian Federation are appointed by parliament on the recommendation of the president. Clearly, all other judges must also be appointed in a similar way. I am profoundly convinced that the proposed procedure, which also includes a rule preventing judges from being members of any political parties, will exempt them from the notorious "telephone law" and makes them truly independent.

I hope that another important aim of the draft will be productive, namely the establishment of the office of Russian Federation ombudsman [narodnyy pravozashchitnik] and the entrustment to that office of supervision of the observance of human rights and freedoms. The experience of a number of countries (Sweden, Austria, Poland, etc.) demonstrates the high degree of effectiveness of this type of agency. I believe that it will become established in our conditions, too. The ombudsman will be appointed by the Russian Federation Supreme Soviet and have his own representatives locally.

There is much that needs further work in the draft constitution. For example, is it right that the participation of citizens in the exercise of justice be confined just to membership of a jury? Probably in a significant category of cases the present collegium comprising a judge and two people's assessors is virtually essential. There should be a right for the victims of crimes in certain circumstances to obtain compensation from the state when it has failed to ensure their safety. There is a special need to discuss the legal profession as a public organization designed to give citizens legal aid.

But these and certain other defects cannot obscure the main thing: That we have before us an unusual, unique document. It is free from the traditional ideological stereotypes, bombastic declarations, and empty political blather. The draft new constitution is aimed at a radical transformation of our life. It will give people the confidence that the inhuman regime of the past is over once and for all. I believe that in our troubled times even that confidence alone may promote reliable service of the multinational people of the Russian Federation, who, I hope, will accept this constitution on the basis, as the preamble says, of "a lofty responsibility to present and future generations of our fellow countrymen."

PRAVDA on Need for 'National Stance'

*PM0411161991 Moscow PRAVDA in Russian
2 Nov 91 pp 1,3*

[Igor Shafarevich "Viewpoint": "Russia All Alone"]

[Excerpt] [passage omitted] **The Same Rulers**

Real political life in recent years has amounted to the wielding of power by quite a narrow range of people whose precise identity is not known to us. The Constitution, general elections, and the soviets play the role of the means, sometimes simply the stage set. The power structure is being rearranged constantly and organs and new councils not envisaged by the Constitution are emerging: the Presidential Council, the Security Council, the State Council. The work of the congresses is often mysterious; they change their position every day or two under the influence of arguments and pressures that are invisible to us. A vivid example of that is the extraordinary Congress of Russian Soviet Federated Socialist Republic [RSFSR] People's Deputies, which was convened for the purpose of demanding that Yeltsin deliver a report accounting for his actions and even of calling for a vote of confidence in him but which ended by giving him new powers. Just as in the Bible, Balaam was called on to curse Israel but instead blessed it, but Balaam had an encounter with an angel with a flaming sword. Which emissary of the supreme powers changed the deputies' will?

Decisions are adopted by means of strange plebiscites. For example: Do we want to introduce the post of RSFSR president or Moscow mayor even though their powers have not yet been defined? So what is the vote to be on and do we even like the actual word? The culmination was the preparation of the Union Treaty, which presumed the disintegration of the country into 53 independent states, each with a different state system, foreign policy, finances, and its own armed forces—that is, utter chaos and rapid demise—and the people were not involved in this momentous decision at all—neither by a plebiscite nor elected soviets. The treaty was to be signed by a few people not empowered to adopt decisions which alter the Constitution, and the text of the proposed treaty itself was kept secret until five days before the proposed signing! Against this background the August "putsch" seems just another link in a chain of arbitrary decisions of the people's destiny. (I am leaving aside a lot of facts cited by the left-wing press demonstrating that the "putsch" was staged). Indeed, subsequent events, such as the "successful putsch"—when, for example, the RSFSR president reassigned the troops and removed and appointed the leader of the All-Union Television service and when a new reorganization of the power structures took place—all these are links in the same chain. Now, just like 20, 50, or 70 years ago we are being ruled by a narrow and closed stratum more anonymous today than ever—previously we could discuss it at least in terms of the Politburo list.

What kind of ruling stratum is this? Strange as it may seem, it is the same old one: the supreme party functionaries. Almost all of them—be it one month, three months, or a year ago—announced their resignation from the CPSU, but these words did not change the people themselves. A man whose first steps as a youth were in the Komsomol and who spent decades rising to the summit of the party apparatus has been subjected to such a grotesque form of conditioning that it is no longer within his power to change his psyche. Such is the entire ruling elite today—they are all former officials: the general secretary, the chief ideologue, and the first secretaries of the republics and oblast committees.

They are now disbanding the lower apparatus, which is indeed less ideologized in Communism although it does have some connection with life. There is within this party a law of periodic self-devourment: The Bolsheviks did it to the Mensheviks and Stalin did it to a section of the Bolsheviks, but the vitality (and mortal danger for the life of the people) remains in the leading nucleus. They are developing a new party for themselves and a new apparatus (which they are already creating) just as a cancerous tumor produces new growths in place of those which have been excised.

Immediately after the revolution, Lenin pointed to the role of the party of the proletariat as a means of curbing the spontaneous nature of the peasantry (80 percent of the people!); then he recognized that we do not have a real proletariat as described by Marx, even though there is a party of the proletariat; and then he noted that the party's line is defined by the "thinnest stratum" of leaders. It is that stratum which has been preserved until this day and still rules the country, and as always, it thinks "internationally," that is, it regards the people as merely a means of attaining its aims. Increasingly starkly, even without an attempt at deception, the idea is being instilled in the people's consciousness that it cannot even lay claim to a different role. Of course, the people understand this increasingly clearly, but can things continue like that for long?

Russian Policy

On this path, of course, a rapid and probably final catastrophe awaits us. The only path that one can possibly hope will lead to salvation is that of elaborating and pursuing a consistent national policy for Russia and even, unusual though this may seem, a Russian policy. The first essential step must be to free the country from the power of the party functionaries. This is a question, of course, not of the 18 million people who until recently were party members or the 15 million who still are—for very many people party-mindedness meant just subscriptions and the tedium of meetings. What element of the "party" can one see in, for example, a writer such as Shukshin? But the stratum of top functionaries contains within itself an immutable "genetic code" of the whole structure. Let us suppose (fantastic though it may seem) that they all suddenly and genuinely saw the light, but that means that they achieved leading posts and lived to a ripe old age without understanding something which was clear to many youngsters or kolkhoz members from remote villages. Therefore, how can such boneheads be allowed access to power?

Tell me, who would have believed in the de-Nazification of Germany if its president, premiers, and ministers (of the republic and lands) had recently been members of the Nazi party ruling elite or the SS and then merely announced their resignation from those places?

Only a new leadership can switch to a really national policy, and one of the first actions must be Russia's withdrawal from the (nonexistent) USSR. This does not mean a complete split with the other republics. We must simply occupy a position equal with them and not carry the legacy of the USSR's filth and sins. Only this step will make it possible to discuss on a just basis the question of the division of the USSR's debts among its heirs. Only then will the question of the protection of Russians in other countries and the systematic support of Russian refugees, whose numbers, unfortunately, are increasing all the time, become completely obvious. A national stance will also make obvious both the senselessness and criminal nature of the participation of Russian troops in foreign national conflicts. There is no justification for the deaths of Russian soldiers in, for example, Kazakhstan. How is this in principle better than the Afghan war? Similar smooth words have been spoken, but the actions that are being carried out are the old ones—after all, "internationalist" thinking forms the basis of the psychology of those who currently determine our fate.

On the other hand, an army necessary for the defense of Russia must be preserved, including a nuclear missile force. When the "progressive world community" is convinced that if it is capable of defeating Russia it will only be at the cost of the most severe losses, it will not even try: Their society is not disposed to accept such sacrifices.

The vague formula of the "single economic space" must not be transformed into a new means of extorting money from a Russia which has already been bled white. All the former republics of the USSR have an interest in the retention of economic ties, but it must not be at our expense. It is impossible to continue burdening the country with loans which our descendants will have to repay (probably with the last minerals or territories themselves).

We must remember the politicians who are treating with contempt and hostility the Russians who are being oppressed in Moldova and the Baltics, who casually propose giving away the Kuril Islands or part of the Pskov region, and who are hitching us to the U.S. cart and are quarreling with the Islamic world. We must remember their names and make them well known.

Only a power based on the people's confidence that it protects their interests can now venture to be strong, and without a strong power all our economic reforms are doomed to failure.

We all see the example of "market relations" which are leading merely to the most lamentable results for consumers—take any conventional food market. Everyone knows the reason: It is that a monopoly is developing in the market which is preventing prices from coming down, and on a countrywide scale only strong state monitoring can ensure at the present stage that market relations will lead to an increase in output and a raising of the standard of living rather than the enrichment of the mafia and international speculators.

In the 13th and 14th centuries, after the Mongol raids, those of our forebears who survived left the forests and began rebuilding the burned villages, towns, and places of worship. The Rus of Yaroslav the Wise was reduced to a small fragment of land in the northeast, pressured furthermore by the Swedes and Lithuania. The Russians at that time surely had as many reasons for giving up in despair as they do now, but they defended the truncated "Rus" of that time and laid the foundations for many centuries of history of which Pushkin once said that he would not change it for any other. After all the blows and defeats suffered by the Russians in that century, history offers us a task which is more limited but more realistic: to defend the "Rus" in the form in which it was preserved. Perhaps we have enough strength for that?

Power Struggles, Moscow 'Discord' Assessed

PM0511154691 Moscow MOSCOW NEWS in English No. 42, 20-27 Oct 91 pp 4-5

[Lyudmila Telen article: "Russia's White House: In Disrepair?"]

[Text] Having finally clarified relations with the Kremlin, Russia's White House seems to have opened a domestic front.

Brezhnev's discord with Kosygin was a source of concern solely for the nomenklatura. Gorbachev's conflicts with Ryzhkov stimulated political scientists and journalists. The fighting that has recently flared up among the leaders of Russia's White House (the Russian Federation building) has made the entire society shudder. Such is the nature of a democratically elected authority: it is a magnet attracting public attention. This is something which is definitely beneficial to society, but highly dangerous for the authorities. The Russian authorities seem to have already proven this.

Like an epidemic, scandals, and desperate ones at that, have suddenly spread across all the floors of the Russian Federation building. What is it-incompatibility of character? A result of political overstrain? Inadequate self-appraisals or primitive division of the spheres of influence? It looks as if all of the above may be true. Be that as it may, the professionalism of some decisions and the frequency of public "denunciations" in the far from elegant genre of invectives testify precisely to this effect. These, however, are not the only reasons. Otherwise the split would not have passed precisely along the edges of different power structures. Between the State Council and the Council of Ministers, between the Council of Ministers and Parliament, between Parliament and the State Council, the State Council and the administration-and now, after disagreements on the economics agreement, between the Council of Ministers and the President.

The structural character of the conflict has certainly impeded the search for a way out: in this case it is not personages that decide everything. On the other hand, it permits some optimistic view of the future. Nevertheless, it is not power as such that spoils people, they are spoiled by ineffective, poorly organized power.

As a matter of fact, conflict inside Russia's White House was practically unavoidable. Prior to the August events Russia's authority was naturally perceived as opposing the Centre and as protection against the Kremlin's evil encroachments. Having lost those political adversaries, it would have had to develop a new quality. This, however, has not occurred, and the strength of opposition structures has degenerated into the weakness of managerial ones.

Fortifications against the Kremlin consisted of several lines of defence. The hierarchy of power was deliberately formed as a bulky structure. The President, for example, shared his leadership of the executive authority with the State Council and State Secretary, and simultaneously with the Council of Ministers and its Premier. Parallelly, the President's administration acted independently in many respects. This threefold division of executive authority predetermined future conflict, mounted rapidly from late August on.

Set up by veritable past masters, the apparat, drawing on the entrenched bureaucratic one-man command and subordination systems, has proved to be the most viable and powerful structure. It has easily "outwitted" the State Council, which still has neither regulations nor a budget. It has subordinated the management of the

Council of Ministers. Today not only mail from the outside (like the official dispatches from the Kremlin) but even the Prime Minister's papers have to pass along the tortuous trails of the apparat. A draft decree of the Council of Ministers could well disappear in the depths of the administration, while a totally different document could replace it on the President's desk.

The powers of the State Council and the Cabinet of Ministers were locked in an ever more obvious clash. Little wonder: in the period of radical reforms it is not more productive to remove economics from politics than it is to remove the brandy from a cocktail.

Duplication in executive structures, however, far from being extirpated, has permeated them from top to bottom. Already after the August events Yeltsin was appointing his personal representatives and, simultaneously, heads of the local administrations. Will they pass clear of each other in the narrow corridor of local authority? The forecast is more than obvious; already in the near future outbursts between the two will become the rule.

There is but one indubitable advantage in the conglomeration of power structures: a real chance to avoid responsibility. It will always be the switchman that will be to blame in this hierarchy, and there will always be a sufficiently large number of switchmen from which to choose.

The Russian presidency's inner conflicts have been complemented with equally dramatic parliamentary problems. The legislators are markedly jealous of the president with regard to the State Council and the administration. It is not yet clear who coauthors, on a par with the President. Russia's policy—the councillor, the legislator or the administrator?

A sharp confrontation will possibly break out in the nearest time to come. The parliament, as we know, has passed a law regulating the election of the heads of local executive authority. According to rumours from parliamentary lobbies, some state councillors want to advise the President to veto this law. Essentially, the question boils down to the following: will the local authority be subject to its electorate's control or solely to the upper levels of power? The President remains mute: however, the answer will soon be apparent.

The crisis of authority is evident, which is not a tragedy, of course. The Russian climate is a little less suitable for ministerial leapfrog than the Italian one, not to mention our Motherland's social hallmarks—empty shelves, prices, wages and, as a result, the exhausted limits of patience. But, even given all this, the crisis can be overcome—if, of course, there is a will to overcome it. Yet this condition has still not been made obvious.

How does Russia's President respond to the goings-on? Is he prepared to untangle the knots of contradictions? Will he manage to do this standing on the bring of chaos? Yeltsin's position is not known, but there is every indication that the existing power structure is already imposing a definite political style upon the Russian leaders.

The pre-August "defensive doctrine", kept intact, constantly requires new enemies with which to contend. Has the Centre collapsed? If so, it must be replaced by inter-republican bodies. This has already occurred—just recall the battles against the economic agreement. There were Gorbachev and Pavlov, there will be Silayev and Saburov. Who is next in turn?

In addition to this, the eroded nature of power structures tends to provoke irresponsible actions: who of the Russian officials has been authorized to make official statements is still an enigma. The "ballon d'essai" method, used by Boris Yeltsin on more than one occasion, can save the President's prestige, but not that of Russian authorities in general. Let us recall the statement made by Pavel Voshchanov about a likely revision of borders, and its immediate consequences, as well as Minister of Justice Nikolay Fedorov's promise to repay all of Russia's debts, including tsarist debts, to the world community?

However, the attitude of the President himself is probably not being clarified on purpose. Is it possible to regard his two-week silence, during which the Cabinet of Ministers was brilliantly crushing the fragile inter-republican understandings, as accidental? Such a ploy gives the President freedom to manoeuvre, of course, but simultaneously it makes the political game a very risky venture in our volatile times.

When one democratic authority is struggling for power with another, reforms are postponed until some dim and distant future. Political manoeuvring replaces strategic change. Economic reform, which demands the classical three-in-one unity of action, place and time, becomes unfeasible. It is not just the undesirables who fall victim on these battlefields...

On October 10 the President of Russia returned to Moscow. On October 11, at a meeting of the State Council, he announced his position vis-a-vis the economic agreement—without explanation, obviously reluctant to weaken the White House's reputation within the Kremlin walls—which does not at all guarantee continued restraint on the Kremlin's part. What will be the Russian President's attitude towards the mutinous Cabinet of Ministers? Will he support Burbulis' statement on Russia's legal succession to the Union's functions? Will he use his authority to postpone the election of local administrations? These questions can be answered, of course, and will have to be answered. But authority, in the absence of the President-arbiter, can hardly become effective without reform.

What lies ahead? One more round of mutual explanations—who "respects" whom? A series of resignations? A change in the structures of power? Be that as it may, both the President and his comrades-in-arms must surely understand that keeping the domestic front active serves just one goal—reviving the political opponents defeated in August. One should presume that this does not figure prominently on the plans of Yeltsin, Burbulis, Shakhray, Khasbulatov, Federov or Poltoranin...and if not, it's time to abandon the battlefield and disperse to the offices and work. there is plenty of food for thought. In addition, there are things to be done—within the walls of Russia's White House, and even more, without.

Madrid Delegation Member Lukin Interviewed

PM0511124991 Moscow ROSSIYSKAYA GAZETA in Russian 5 Nov 91 First Edition p 7

[Interview with Vladimir Lukin, chairman of the Russian Soviet Federated Socialist Republic Supreme Soviet Committee for International Affairs and Foreign Economic Ties, by Yuriy Kashin; place and date not given: "Madrid: Together at the Same Table at Last"]

[Excerpts] Among the participants in the international peace conference on the Near East which opened in Madrid was an official delegation from the Soviet Union whose members included representatives from the sovereign republics of Russia and Tajikistan. Our correspondent put a few questions to Vladimir Lukin, chairman of the Russian Soviet Federated Socialist Republic [RSFSR] Supreme Soviet Committee for International Affairs and Foreign Economic Ties. [passage omitted]

[Kashin] Readers would be curious to learn why a Russian representative participated in this meeting.

[Lukin] It's perfectly natural, because the Near East problem also affects Russia. The RSFSR is part of the Union and, I hope, of the eventual Union in a new form. So this is also a need for Russia, which must gradually emerge into the international arena, step by step but in an increasingly appreciable and decisive manner. The Russian side tried to make its presence felt. This was reflected in the series of conversations and meetings with the Americans and the Israelis in the course of which problems of a mutual nature were discussed. I can definitely say that relations with Israel are not confined solely to relations with the Union.

As for our Union side, of course the presence of delegates from the republics was important for Gorbachev. And not only for the prestige but also for the comprehensiveness of the delegation. It is not a matter of personalities, of course, but of the symbolism. The inclusion of representatives from the republics was undoubtedly a correct step since the correct thing for Russia to do will be to makes its profile in the Near East clearer and more distinct. I believe that Union structures must concern themselves with the problem of a Near East settlement in the political plane. But in terms of constructive participation in the Near East economy, cultural ties, and so forth, this must naturally be an area for Russia and, of course, other republics with an involvement here. So I think our journey was worthwhile, although the bulk of the meeting was protocol and ritual.

[Kashin] Beyond the main framework of the conference, what aspects of relations were discussed in the course of the meeting and talks between Gorbachev and Bush?

[Lukin] The conversation between the two presidents was one on one; only their foreign ministers and interpreters were present. The president said afterward that he talked about nuclear questions with Bush and that he sensed great concern over this problem. And when the conversation took place on a broader basis, when I was present, Gorbachev's main thesis was that he had attempted to allay the U.S. Administration's concerns and assure them that, despite a number of very strong and contradictory statements from various sides, all control over nuclear weapons is in his hands and essentially all parties are in agreement with this. It is obviously necessary to create some kind of consultative structures for strategic nuclear questions. I personally believe it would be expedient to create a body like the NATO Nuclear Planning Committee at an interrepublic level to discuss all fundamental questions.

[Kashin] What was the reaction to Gorbachev's assurance that he retains control over nuclear weapons and that the U.S. side has nothing to fear?

[Lukin] It was difficult to gauge President Bush's reaction from his face; he didn't say much, he was more interested in asking questions. But I imagine that the Americans have information from sources in addition to Gorbachev's lips to give them a complete picture of the question. The assurances were a positive factor, obviously, but only one of the factors in the American assessment of the situation as a whole. There is reason to believe that our president's answers were close to the truth. But the problem has to be seen in the context of its possible development. Nuclear weapons are no laughing matter, and so it is necessary to plan and make allowances for the worst option. If you plan for the worst option, there are reasons for anxiety here because there are serious problems.

[Kashin] Like what?

[Lukin] Tactical nuclear weapons have been delegated to division level, and a precarious situation is now emerging in terms of who will swear allegiance to whom; plus discipline is also low. Nor must we ignore naval nuclear weapons, whose autonomous utilization could be a probability in certain circumstances. All these worst cases could be analyzed by a Nuclear Planning Committee.

[Kashin] How was Gorbachev received at the Madrid meeting: as the leader of a still major power or more as a pantomime president?

[Lukin] I don't like terms of that kind. I personally have great respect for Gorbachev, and President Bush and Premier Gonzalez stressed the same thing at the news conference. As a political leader Gorbachev continues to enjoy very great respect abroad. As for his role in all our country's problems, actual policy has an impact here.

This was present in the air, of course, and you can't get away from it. The processes of disintegration taking place in our society are naturally having an impact on the status of the president of the Union, when the old structures are collapsing but new ones have not yet been created. I think that it is in our interests to encourage this trend.

[Kashin] Although Russia is increasingly making its voice heard, you get the impression that people in the United States don't quite understand our situation and are persisting in putting their money on the central structures.

[Lukin] That is not quite the case. The Americans continue to regard Gorbachev as their main partner in talks on military and general political questions, while on economic and cultural questions they are talking increasingly with the republics. They have their own list of priorities here, and naturally Russia is at the top. Of course the Ukraine is an important factor for the United States, and even more so for Canada. A definitive balance between the central authorities and the republics is now being sought.

[Kashin] Vladimir Petrovich! Let us get back to the main topic. Is the fact that the conference has opened perceived abroad as a success more for U.S. than for Soviet diplomacy?

[Lukin] I would assess it as a result for both sides. But there is a long road ahead on which the participants could encounter surprises at every step.

KGB First Deputy Chairman Interviewed

PM0411153191 Moscow ROSSIYSKAYA GAZETA in Russian 2 Nov 91 First Edition p 7

[Interview with V.A. Podelyakin, first deputy chairman of the Russian Soviet Federated Socialist Republic KGB, by Andrey Zhdankin under the general heading "Two Views of the Russian KGB"; place and date of interview not given: "Vladimir Podelyakin: 'The Union Apparatus Is Unwilling To Share Cadres With Russia'"]

[Text] [Zhdankin] Vladimir Andreyevich, in what shape are our republic's security organs today?

[Podelyakin] At local level, the structure comprises 70 directorates in the krays, oblasts, and republics making up the Russian Soviet Federated Socialist Republic [RSFSR], the Moscow Directorate being the 71st, with four more being set up in the new autonomous republics. A total of 75 regional directorates, and 22,000 men making up its officers corps.

Although the process of shaping it began in the spring, following the resolution's adoption by the Second Congress of RSFSR People's Deputies, it has only now started unfolding properly. For example, at the time of the August events, the central apparatus of Russia's KGB comprised a total of just 23 officers occupying four rooms at the Lubyanka building. It was only after the putsch that the regional directorates were juridically transferred under our jurisdiction.

The central apparatus is being created virtually from scratch.

[Zhdankin] Before creating anything, it is necessary to have a clear-cut plan, a concept of what is being created. Do the Russian Federation leadership and the KGB have such a concept?

[Podelyakin] The main fundamental principles of the security concept have been laid down: Security organs must form a natural part of democratic structures in the Federation's state system and are called upon to reliably protect Russia's sovereignty, guarantee citizens' constitutional rights and freedoms, and assist the organs of power and administration in creating conditions for the prosperous life of all peoples inhabiting Russia.

We believe that the RSFSR KGB must be transformed into a Federal Security Agency. Proposals have been submitted to the parliament's Security Committee and to the State Council. They were supported by the committee and will be discussed at the Supreme Soviet.

[Zhdankin] Labels have changed repeatedly: The VChK [Extraordinary Commission] was transformed into the NKVD [People's Commissariat of Internal Affairs], then into the MGB [Ministry of State Security], then into the KGB... Reforms went no further than that, but the continuity of bad traditions was maintained...

[Podelyakin] The new name means more than just replacing one acronym by another. It emphasizes our parting of the ways with the former KGB, with a state structure of the totalitarian regime which secured the interests of a narrow circle of powers that be, protecting not the people but the state from the people. The guarantees lie in strict parliamentary monitoring and the creation of a clear-cut normative-legal base for the security organs' activity.

The concept is not yet fully finalized, but the basic activities which the agency will pursue can be identified: Intelligence, counterintelligence (without which not a single special service in the world can manage), struggle against corruption in the organs of power and administration and the law enforcement organs, and struggle against organized crime. At the initial stages of the committee's emergence it will be absolutely necessary to have subdivisions ensuring security and counterintelligence work in the economy. The investigative subdivisions will remain, but they will obviously have to be reinforced, especially at local level. More attention will be given to the information and analysis subdivisions, where it is planned to concentrate the functions of informing the organs of power and administration, functions which are now spread among all branches. We hope to successfully set up a "think tank" for the elaboration of security problems and forecasting.

[Zhdankin] Are these only plans or has something been done already? For example, have residents' offices abroad been transferred?

[Podelyakin] The First (Intelligence) Directorate has been set up and is headed by Major General V. Fisenko as deputy chairman. The directorate has 150 job openings, but they are not all filled. Some specific subdivisions are being transferred, their numerical strength is hardly a matter for press publication, but residents' offices have not yet been transferred and are unlikely to be. Bluntly speaking, the reason is the unwillingness of the central (Union) apparatus to share its cadres with Russia.

We keep writing letters asking that such-and-such staffer willing to work with the Russian organs be transferred under our jurisdiction, but the majority of requests fail to evince an answer, let alone consent. We are in an equivocal situation—the committee has been set up by virtue of a decision by the republic's supreme organ of power, but there is no end of subjective difficulties. For example, an order has been signed whereby the USSR KGB building at the Lubyanka should be transferred to the Russian committee, all premises must be vacated by 1 December, but nothing at all has happened so far in practical terms.

[Zhdankin] Not all leaders of regional directorates took a firm stance of loyalty to Russia's legitimately elected leadership and president during the 19-21 August events, and some openly supported the State Committee for the State of Emergence. Our editorial office receives quite a few letters and telephone calls to the effect that these leaders are still in office while officers who did not openly support the putsch are being "hounded out"?

[Podelyakin] This problem does exist and it certainly worries us. One of the main criteria for appraising the activity of local leaders during the putsch is their attitude toward the 19 August teleprinter message signed by the RSFSR KGB chairman and the minister of internal affairs, in which they called on their associates to display restraint and common sense and to refuse to participate in the anticonstitutional coup. The message and President Yeltsin's "Address to Russia's Citizens" which was appended to it should have been circulated among the entire personnel. This was not done by everyone.

There were 19 inspectors' teams set up right after the putsch on instructions of the Russian committee's leadership, followed by a further six, and they were sent out to the provinces. There were nine leaders dismissed at the first 25 directorates which were inspected, and following a more thorough examination V. Solovyev, chief of Tula Oblast KGB Directorate, was reinstated. The Amur, Bryansk, Vologda, Lipetsk, Pskov, Samara, and Saratov Oblast directorate chiefs were dismissed. Several leaders were dismissed following collective applications by staffers. There are no criminal elements in the leaders' actions, but they were guilty of "slips" which are impermissible for leaders of their rank. The inspectors' teams have not yet completed their work.

[Zhdankin] What is the mechanism for appointing regional directorate leaders? Are the local authorities involved?

[Podelyakin] First of all let me note that the cadres service has adopted a policy of rejuvenating the personnel and the leadership link in particular. In practical terms, the procedure could hardly be simpler. Suitable candidates are selected and are examined by the Russian Supreme Soviet Intercommittee Commission for the RSFSR Security System's Cadres Policy. If consent is given, the appointment order is signed—for the time being—by V. Bakatin, chairman of what is now the former USSR KGB. The local authorities' opinion is naturally taken into account, but this does not mean that they "have the final say," which may result in unjustified favoritism. This happened, for example, with the appointment of V. Remnyakov as chief of Tula Oblast KGB Directorate—he lacked the necessary personal and professional qualities but in exchange enjoyed the backing of the oblast's former party functionaries.

[Zhdankin] Will there be any changes in the practice of appointing nonindigenous persons as directorate chiefs in the autonomous republics? Checheno-Ingushetia, for example, has never before had either a Chechen or an Ingush holding this post.

[Podelyakin] The time has come to review this practice, which has caused justified indignation. It goes without saying that the former autonomous units have their autonomous Supreme Soviets and they will be appointing people to these posts on recommendations from the RSFSR KGB.

[Zhdankin] What principles and methods are used to select cadres for the Russian committee? Have "party quotas" receded into the past?

[Podelyakin] Cadres policy has changed. The selection criterion based on political views has been abolished. Henceforth it will be impermissible for the organs to become the armed detachment of any party or political grouping.

We are taking advantage of the fairly good selection system which the committee has tried and tested. As a rule, people join us in one of two ways. The first—following graduation from a civilian VUZ [higher education establishment], we select suitable guys who are then trained in our own education establishments. The other—following secondary education and compulsory army service, our staffers graduate from our higher (five-year) school. Yes, we did recruit people from the party apparatus, for whom there were two-year courses in Minsk, Kiev, Tbilisi, and Moscow. These people do not in any way bear the seal of professional unsuitability, many of them have become professionals without any favoritism. We either have gotten or soon will get rid of any who have failed to become professionals.

Of course, the demands made of servicemen apply to all who decide to dedicate themselves to service in Russia's security organs, one of these demands being readiness to serve anywhere in the RSFSR.

[Zhdankin] And what lies in store for operatives from the Union committee's central apparatus?

[Podelyakin] I do not think that there are any grounds for panic or gloom. The decree emphasizes that Russia takes on the concern for operational personnel. These highly professional people make up the backbone of our republic's emerging security organs.

[Zhdankin] There will probably be some who will fall outside Russia's "jurisdiction." Cutbacks are inevitable. What will happen to them?

[Podelyakin] The USSR KGB exists de facto and has its own Cadres Directorate. That is their concern.

[Zhdankin] The staffers' exodus from the organs is already on a massive scale. Could you cite some figures to illustrate the situation?

[Podelyakin] About 500 staffers resigned from Russian territorial organs in 1990-1991, and there are about 100 more cases under review. This worries us, because cadres stability is an absolute condition for the organs' effective work.

This makes it necessary to raise the level of staffers' social protection. Operatives lacked any special benefits in the past, and enjoy no benefits at all now. A senior operative officer (major or lieutenant colonel) hardly ever earns more than 700 rubles, taking into account benefits, length of service awards, and rank supplements. A specialist with similar training and experience earns several times more in any cooperative or joint enterprise. Our proposals to raise staffers' salaries are being examined by Russia's leadership.

The problems of our own social and consumer services sphere are equally acute. The USSR KGB is quite well equipped with kindergartens, young pioneer camps, rest homes, and housing, while the situation at local level is almost disastrous, especially in Dagestan, Chuvashia, and Mordovia, and in Irkutsk, Rostov, Samara and other oblasts.

We need a fund for the personnel's social protection, which could be funded from the republic's budget. These funds could be used to compensate the higher costs of children's institutions and to help large families.

[Zhdankin] Vladimir Andreyevich, six months have already passed since it was decided to create Russian security structures, and yet this activity is still not properly organized, as demanded by the need to protect sovereignty. Is there something lacking, are there any obstructions?

[Podelyakin] First of all, the lack of a "package" of laws laying down the RSFSR KGB's objectives, tasks, rights, and obligations; the material and technical base has yet to be divided between the RSFSR KGB and the former Union committee.

[Zhdankin] Has the service itself become more democratic?

[Podelyakin] I think that staffers can already feel this. Our system is built on the principle of one-man-command but, since we all are real people, it must be supplemented by a democratic mechanism protecting staffers' social rights. This is how we perceive the institution of Officers' Assembly. Such an assembly will exist in each directorate, chaired by the top leader. Subsequently the Assembly Council, the council chairman, and his deputy will be elected by secret ballot. We have already circulated a directive at local level, hoping to enshrine it in normative acts, to the effect that the Assembly Council chairman will be a member of the local organ's Collegium.

[Zhdankin] Vladimir Andreyevich, how long have you worked in Russia's security organs?

[Podelyakin] I was offered the job of deputy chief of the Cadres Directorate in May, I started 1 July, and "rose" to first deputy chairman in September. I believe that, in the "declining years" of my service, it is worth dedicating my accumulated experience and my remaining energy to the cause of strengthening the republic's sovereignty and Russia's revival. This will obviously be my "swan song." I am ready to perform it till the end.

Yeltin Representatives Meet To Discuss Work

PM0511170991 Moscow IZVESTIYA in Russian 2 Nov 91 Union Edition p 2

[Feature by V. Kononenko, incorporating interview with V. Makharadze, Russian Soviet Federated Socialist Republic chief state inspector and head of the control administration; place and date of interview not given; "Russia: The Institution of the President's Authorized Representatives To Avoid Paralysis of Power and Management"—first two paragraphs are introduction]

[Text] The Russian Soviet Federated Socialist Republic [RSFSR] president's representatives in oblasts and krays gathered for their first conference on 31 October. Passions continue to rage around their appointment and work: In some places they have been given a hostile reception, being perceived as a threat to the established way of life of well-protected fiefdoms; in others they have observed patiently; while yet in others, like Ulyanovsk and a number of other oblasts, for example, a concerted and clearly organized effort is being made to isolate them and deprive them of real powers.

Why were the president's representatives meeting? This is the theme of our correspondent V. Kononenko's interview with V. Makharadze, RSFSR chief state inspector and head of the control administration, who is heading the new department coordinating the work of the president's "plenipotentiaries" [polpred], and who conducted the conference.

[Kononenko] Valeriy Antonovich, did you convene this conference at the request of the "plenipotentiaries" themselves, if this is a fitting term to describe them, or for the purpose of briefing them?

[Makharadze] A Narkomindel [People's Commissariat of Foreign Affairs] "plenipotentiary" and a representative of the president have nothing in common, although their work methods are similar. It is necessary to grasp at last that the president's representatives at local level are people entrusted with political and control tasks to safeguard the policy of reforms, who are called upon to fill the ideological and organizational vacuum following the demise of the former party and administrative structures. But, I stress, they in no way supplant the local administration and the soviets.

Currently, in conditions of disorganization in management, it is necessary to establish executive control over law enforcement organs, tax inspectorates, and the banking system. In other words, that task has been set of ensuring the prompt and effective exercise of power at local level through these authorized representatives, in accordance with the laws and the RSFSR president's decisions.

It so happened that the president's representatives were appointed during the complex post-putsch situation. Many questions had to be resolved as we went along. Apart from that there are cases where many people, currently in power at local level, are trying to thwart their work by pleading all kind of instructions and so forth. Now most of them (62 permanent representatives have already been appointed) are in Moscow attending the Congress, and we have decided to meet to discuss our internal problems. In particular, the president must constantly have a clear picture of life in every part of Russia.

[Kononenko] How is the establishment of this institution of power progressing?

[Makharadze] It is possible to say that it is progressing normally, but not easily. Generally speaking, people are beginning to rally around the president's authorized representatives in the hope that they will help to bridle the excesses of bureaucracy and establish order. However, there are cases where the local administration, made up of former party nomenklatura members, is trying to put the spokes in the wheel and to discredit the authorized representatives by flirting with or intimidating the people. [Makharadze ends]

The IZVESTIYA correspondent has learned from competent sources that of late trends have emerged which threaten the economic security of the Russian state. Only half the requisite volume of grain has been procured. At the same time, the Russian Finance Ministry has not paid out a single ruble in hard currency to farms in return for the more than 400,000 tonnes of grain already delivered to the state. At local level grain which has been secretely set aside is perishing, and in some places it is even being deliberately destroyed (Belgorod Oblast, for example).

Individual farms have been placed in a most difficult position—they are being brutally taxed from all sides by the Agroprom [State Agro-industrial Committee]. Officials of the Ministry of Agriculture and Food and the Agroproms and the nomenklatura of the notorious Peasant Union are laying their hands even on commercial structures (Saratov and other oblasts), thus creating a monopoly on the production of agricultural produce.

Many officials, including representatives of the organs of power, making use of the prevailing confusion, are going in for outright embezzlement. Thus in Krasnoyarsk Kray it has been revealed that agroindustrial complex debts totaling more than 35 million rubles [R] have been written off to partially fund the "Niva" commercial joint-stock bank. Commodity exchanges and small enterprises are being established into which budget funds are being invested without a prospect of any real returns. As a rule, key positions in such structures are occupied by representatives of the former party nomenklatura, the military-industrial complex, and even some Russian departments. Rubles and hard currency funds from state resources are being channeled into commercial banks. According to some estimates the market may be flooded with up to R500 billion, and the RSFSR Central Bank does not have the means sufficient to counter such financial aggression, which is fraught with a real threat to the prevailing power in Russia.

Stepashin Remarks on Army, Security Service

PM0511160191 Moscow KRASNAYA ZVEZDA in Russian 5 Nov 91 First Edition p 2

[Interview with S.V. Stepashin, Russian Soviet Federated Socialist Republic, RSFSR, people's deputy, chairman of the RSFSR Supreme Soviet Defense and Security Committee, coordinator of the "Left Center" parliamentary group, and chairman of the State Commission to Investigate the Activity of State Security Organs, by Captain Second Rank V. Urban in Moscow; date of interview not given; "Sergey Stepashin: 'It Is Not Worth Creating Our Own Army. It Already Exists"—first three paragraphs are introduction]

[Text] His life is an example of how political figures of the new wave emerge. A year ago Lieutenant Colonel S. Stepashin, lecturer at the USSR MVD [Ministry of Internal Affairs] Higher Political School, was hardly known to anyone except his voters in Leningrad.

But now, as you can see, it is hard to even list the duties of the 39-years old Russian deputy. Chairman of the Russian Soviet Federated Socialist Republic [RSFSR] Supreme Soviet Defense and Security Committee, coordinator of the "Left Center" parliamentary group, and chairman of the State Commission to Investigate the Activity of State Security Organs...

He has offices on Krasnopresnenskaya Embankment and in Lubyanka.

[Urban] Sergey Vadimovich, it would be interesting to know where do you feel more comfortable, in which office do you feel more at home?

[Stepashin] At the Supreme Soviet, I must say...

[Urban] Could you explain why?

[Stepashin] That is the work I consider to be my main job. The deputies' faction and the State Commission in particular are public assignments, as it were. Of course, the commission was set up by presidential decree, but my main job is at the Supreme Soviet. It is very important for me today.

[Urban] Does this mean that you are planning your future life as a parliamentarian?

[Stepashin] No, this is a complex question. I would not say so.

[Urban] You must agree that you have built a solid political career in just one year. How do your former school colleagues feel about this?

[Stepashin] You have to ask them. Different attitudes, probably. The friends—those who helped me and still do so—are probably pleased. There are obviously others who are envious.

[Urban] So, if you have no friends and nobody envies you, you are not a politician?

[Stepashin] I was in a complex situation until the August events. Many people in the Internal Troops, where I served for 22 years, consider me a degenerate. White, yellow—you name it and I was called it. Furthermore, there was also systematic mudslinging, as it were. But the school did not let me down and, despite the fact that the Political Department chief was constantly under fire because of me, he stood beside me even in the most complex times. And now, in the wake of August, it appears that I did everything right. This is what I am told now. Judge for yourself...

[Urban] And what about your personal life?

[Stepashin] I live in a hotel, my family is in Leningrad. This is a problem.

[Urban] I can see that. Let us move on from personal to parliamentary matters. You head a committee which is one of the toughest at present. Have you already determined the base of Russia's security?

[Stepashin] Our committee functions in two main spheres. First. Everything to do with Armed Forces on the Russian Federation's territory as regards military reform and military policy. Russia is entitled to do this. I think that the question of creating our own Defense Ministry will be raised in the very near future. We held out until the end in the belief that there must be unified [yedinyye] Armed Forces. This formula no longer works today, we are moving toward the concept of joint [obyyedinennyye] Armed Forces.

And second. This is the KGB or, as it is known today, the security service. The problems of its most thoroughgoing reformation.

As regards Russia's security in general, I assume that this involves many problems—economic security problems, problems concerning the preservation of our state's integrity, and so on. For example, we recently considered questions concerning Russia's Customs Committee.

[Urban] The creation of a Customs Committee?

[Stepashin] It was created by B. Yeltsin's decree dated 25 October. But so far it is staffed by just one man. There is no concept, there is no law, there no committee as such. Therefore, new problems have emerged. Taxation system and customs—these are two components of any civilized state's economic sovereignty.

[Urban] Another question which is unavoidable. Addressing the Congress of RSFSR People's Deputies, B. Yeltsin frankly declared that, if the process of creating republican armies continues, Russia's turn will also come. Have you done any preliminary work on this already?

[Stepashin] I do not think that it is worth creating our own army, it exists. The majority of military districts are on the Russian Federation's territory. So is the strategic arms command system. There is no need to create what we already have.

[Urban] But the legal process of "reshaping" the Army can take place only after the creation of national armies in the other republics?

[Stepashin] National armies are already taking shape. Thus, let me repeat, we will probably go for the concept of joint Armed Forces.

[Urban] Sergey Vadimovich, I will make no secret of the fact that quite a few perplexed questions are asked about Russia's contacts with NATO. You are one of the first politicians to decide on such steps. Even six months ago this was perceived ambiguously. Nonetheless, these steps were taken. What prompted them?

[Stepashin] The reason is that the world is changing. NATO is also changing. This organization is becoming increasingly political. They are sharply reducing their armed forces and switching to the formula of fast reaction forces which, incidentally, functioned brilliantly during the war in the Persian Gulf zone.

I addressed the North Atlantic Assembly's last meeting in Madrid and said that Russia is prepared to raise the question of gradual evolution into the NATO system.

This is a lengthy process. Nobody is saying today that Russia will join NATO immediately. This is unrealistic. But since Russia is prepared for gradual integration into the EEC and the world civilization as a whole, why not cooperate with NATO?

[Urban] What are the prospects, in your view?

[Stepashin] Honestly speaking, I can see Russia, the Ukraine, and Belorussia inside this organization in the 21st century. It may no longer be NATO, it may be an association for the CSCE's military defense. At least I believe that our contacts with NATO are a civilized process of European integration.

[Urban] Readers will simply fail to understand us if we say nothing about the work of the State Commission to Investigate the Activity of Security Organs. On an earlier occasion you said that the majority of commission members incline toward the opinion that a certain section of the KGB's former leadership was the coup's initiator. So, was the KGB the coup's initiator?

[Stepashin] One of its initiators. As a matter of fact, our commission concluded its work 26 October, and we sent our conclusions to M. Gorbachev. We agreed that we would have a meeting with him soon after his return from Madrid and will report our opinions. We plan to hold a major news conference afterwards, and all documents will be passed on to the mass media.

[Urban] Almost immediately after the commission began its work, you came out in favor of abolishing the USSR KGB. At the same time, V. Bakatin made a statement about the organs' radical reorganization. You failed to find a common language. Or did you not seek one?

[Stepashin] We sought it. As a matter of fact, very good relations were established with Vadim Viktorovich. They were very good earlier, as well...

This does not concern V. Bakatin. We sent two letters to M. Gorbachev. And if we meet, I will frankly tell him that some of the reconstructions carried out in the committee were more like emergency measures. Although, as you know, the KGB has nonetheless been disbanded, the Interrepublic Security Service and the USSR Central Intelligence Service have been created, and so on—everything that the State Commission proposed. We are doing this in a normal, civilized fashion.

There is just one question to be answered: What kind of organ will exist at the former Union level? This ought to be decided by the republics, including Russia. As of 1992, Russia will no longer finance the former USSR KGB. Therefore, I am perturbed by the—frankly speaking—somewhat flippant approach toward the creation of new Union structures. Everything must be decided by the republics. We will insist on this all the way.

[Urban] By the way, the USSR State Council adopted the decision to reorganize the state security organs while you were on an official trip abroad. Were you kept up to date?

[Stepashin] I was warned that the State Council would meet after my return. Unfortunately, the session was held while I was abroad.

[Urban] The press, even though very cautiously, is raising the question of a possible collapse of the KGB agents' network abroad. According to the example that is cited, 20 percent of the former GDR "Stasi" service staffers have gone abroad. Will you have to set up a new agents' network?

[Stepashin] Russia will have its own intelligence service. I calculate that 90 percent of the agents still working under Ye. Primakov's auspices are Russian people. That which happened to "Stasi" will not happen here. The disbandment of the Union KGB does not mean that we are doing away with special services...

Moreover, we are not planning any purges. Thousands of professionals have honorably performed their duty and they should work for democratic Russia's benefit. This is my stance, and it is backed by our parliamentary committee and by President B. Yeltsin.

[Urban] It looks as if all the questions concerning the KGB's reorganization have been resolved. The only unknown factor is the fate awaiting special sections in the Army, the Navy, and the Internal Troops?

[Stepashin] They also need serious reform. The Army must have its counterintelligence service, there is no question about that. All civilized states have one.

It is naive to imagine that we do not need it. But everyone is also perfectly well aware what the special sections were doing—eavesdropping, sniffing out information, informing on people... The special sections are no longer needed in their past form. There is full agreement on this issue with USSR Defense Minister Ye. Shaposhnikov.

[Urban] But the problem has not been resolved yet?

[Stepashin] It will be resolved.

[Urban] But how? A counterintelligence which is totally under the Defense Ministry?

[Stepashin] The Defense Ministry must have its own. The Russian Security Service will also have its own.

[Urban] It is well known that the Law on Security Organs in the USSR has been suspended. What is the current legal basis for the special services' activity?

[Stepashin] The Union law was adopted only in May. How did we live without it? There are instructions, regulations. I assume that during its current session, sometime by the end of November, the parliament will adopt a Russian law on security.

Yeltsin, 'Democratic Russia' Discuss Cabinet

OW0611040491 Moscow INTERFAX in English 1518 GMT 5 Nov 91

[Transmitted via KYODO]

[Text] Russian President Boris Yeltsin discussed the formation of the Russian Government at a meeting on Tuesday [5 November] with representatives of the parliamentary faction and movement "Democratic Russia [DR]." Representatives of DR stated their opinions on the cabinet of the peoples' faith, and "did not meet with particular resistance from Yeltsin," one of the participants at the meeting and the co-chairman of the Republican Party of Russia, Vladimir Lysenko told IF's [INTERFAX's] correspondent. He remarked that he did not sense that Yeltsin had a final list of future members of the government, and that the president was still forming his opinions.

Yeltsin promised to consider DR's position and promised also to meet with them once more, when the list of government members is prepared.

"Democratic Russia" representatives invited Yeltsin to attend a congress of the movement which starts November 9th. Yeltsin has promised to think it over, Lysenko said, "to decide whether he can personally attend, or whether he will send a representative."

Academics, Figures Send Open Letter on Economy

PM0611154191 Moscow KOMSOMOLSKAYA PRAVDA in Russian 1 Nov 91 p 3

["Open Letter to B.N. Yeltsin, Russian Soviet Federated Socialist Republic, RSFSR, president, and the RSFSR Congress of People's Deputies" from academics and public figures: "A Likely Opponent Is Our Economy"]

[Text] Today Russia and all the other sovereign republics are feverishly thinking about ways to get out of the economic crisis that has hit us. The structural perestroyka of the economy, the elimination of the budget deficit, and the restoration of the manufacture of consumer goods and the provision of favorable conditions for transition to the market are unthinkable without a reduction in military expenditure. However, preparations for the vital reform of our country must not be delayed under any circumstances. Military plants, which devour metals, electricity, and other vital resources needed by the civilian sectors of production, are continuing to manufacture huge quantities of traditional military output which is long outdated and could not ensure victory in modern warfare. The experience of conversion acquired in recent years has shown the great difficulty of this task, which is due to both objective factors and opposition on the part of officials and departments concerned. At the same time, some of the radical measures on cutting back the Army and the military-industrial complex which are being proposed today are threatening to bring about a social explosion, since they do not adequately take into account the vital interests of the huge number of people employed in these spheres.

We appeal to you to take urgent steps to reduce expenditure on the Army and the military industry without, however, reducing the living standard of servicemen and workers in the military-industrial complex. To this end, we propose that a two-year moratorium be put into effect on the manufacture of the majority of ordinary military output and that only the absolutely vital—in terms of defense and sales—volume of weapons be manufactured. All workers in the military-industrial complex must keep their current level of earnings in this transitional period, with possible inflation being taken into account. This will enable us to prevent losses in the intellectual potential of the defense sectors, avert the powerful social explosion that is looming, liberate huge resources of raw materials, energy, and labor, and help transfer the military-industrial complex enterprises as quickly as possible to the manufacture of competitive output. Since the wage fund only makes up a small part of expenditure on the military-industrial complex, it will not be a heavy burden for the Russian state budget to maintain payments; and transferring resources into civilian output will compensate for this many times over. Some of the income from the newly set-up civilian output must be used for the development of scientific research work in the sphere of creating modern weapons systems, in order to prevent Russia from qualitatively lagging behind in this important sphere of our state interests.

The proposed measure will promote the saturation of the market with consumer goods, ensure the organic and painless inclusion of military-industrial complex workers in the non-military sphere, and encourage the international community to take new steps in arms reduction and the strengthening of trust in our reforms.

We propose that this principle be applied to the Army and to the Navy. The latter must also be resolutely reduced, without going beyond the limits of defense sufficiency.

However, warrant officers, ensigns, families of officers on low incomes, and also families of those injured or killed while carrying out their official service and duties must be given guarantees that their earnings will be kept at the same level for at least two years, with due consideration being given to all the necessary privileges and additional payments for families, while generals and admirals who have not earned their pension should be provided like other servicemen with guarantees of an interim payment during the same period of time.

We are deeply convinced that the proposed measures are capable of bringing quick and concrete results and are in the spirit of the program of profound radical transformations put forward by B.N. Yeltsin, Russian Soviet Federated Socialist Republic [RSFSR] president, at the Congress of Russian People's Deputies.

[Signed] Prof. V. Naumkin, deputy director of the USSR Academy of Sciences Institute of Oriental Studies; A. Novotochinov, member of the "Civil Accord" all-Russian social movement and general director of the firm "Rossiya-Kazakhstan" ("RoKa"); Prof. L. Fridman of Moscow State University; Ye. Alayev, RSFSR people's deputy for Electoral District 424; A. Aslakhanov, chairman of the RSFSR Supreme Soviet Committee on Questions of Legality, Law and Order, and the Fight Against Crime; G. Grechko, USSR cosmonaut and first deputy chairman of the Soviet Committee for the Protection of Peace; A. Korovnikov, chairman of the RSFSR Supreme Soviet Committee for Invalids' and War and Labor Veterans' Affairs and the Social Protection of Servicemen and Members of Their Families; L. Kurbatov, corresponding member of the USSR Academy of Sciences; S. Stapashin, chairman of the RSFSR Supreme Soviet Security Committee; and V. Yugin, chairman of the RSFSR Supreme Soviet Committee for the Mass Media.

[Dated] Moscow, 30 October 1991

Local Affairs

Government Says Chechen Elections 'Unlawful'

LD0511171791 Moscow All-Union Radio First Program Radio-1 Network in Russian 1300 GMT 5 Nov 91

[Text] The latest attempt by the Russian leadership to positively influence events in Chechen-Ingush has had the opposite effect. A rally in the center of Groznyy, which had been quieting down, greeted with a new outburst of emotion a telegram from Filatov, first deputy chairman of the Russian Soviet Federated Socialist Republic Supreme Soviet, and Lobov, first deputy chairman of the Russian Council of Ministers, in which the presidential and parliamentary elections held by the executive committee of the Chechen Congress were called unlawful. The Supreme Soviet and the Russian Government, the telegram says, strongly condemn the acts of the Executive Committee of the National Congress of the Chechen People and warn its leaders that all envisaged measures will be taken.

Passengers Block Runway at Khabarovsk Airport

LD0711111391 Moscow TASS International Service in Russian 0335 GMT 7 Nov 91

[By TASS correspondent Anatoliy Vostokov]

[Text] Khabarovsk, 7 Nov (TASS)—There has been a feverish atmosphere at Khabarovsk Airport, the main airport of the Far East, for five days. Although the flights envisaged in the timetable are being made, the flow of people wishing to fly to Moscow and other cities is not decreasing. After three or four sleepless days and nights waiting for additional flights, passengers who have lost all hope picketed the airport's office building and blockaded the runway. It was not until this morning that the heads of the Far Eastern air corporation managed to partially relieve the tension. Additional flights were made to Moscow, Tashkent, Alma-Ata, and the towns of the Far East. Military transport aviation has been transporting people. True, the passengers on these flights have had to purchase tickets at commercial prices—three times more expensive than usual.

"The commercial prices have been introduced on unscheduled, additional flights," Leonid Nagornyy, the general director of the Far Eastern Air Corporation stresses. "We did not want to introduce them, but the aviators and suppliers forced us to do this. Thus, Tashkent Airport demanded 735 rubles per tonne of kerosene instead of the previous 129 rubles for servicing additional flights, and Alma-Ata airport demanded 825 rubles. We have been forced to agree to these conditions since the Ministry of Civil Aviation is virtually paralyzed.

Kuzbass To Ration Coal, Metal to 'Debtors'

LD0611220891 Moscow TASS International Service in Russian 0700 GMT 6 Nov 91

[By TASS correspondent Grigoriy Shalakin]

[Text] Kemerovo, 6 Nov (TASS)—"Pressure in the form of coal and metal rationing will be applied to all regions which do not fulfill their supplies of food to Kuzbass," stated the deputy head of the oblast's administration, Nikolay Krushinskiy. According to him "the debtors"—whether in Russia or in other sovereign republics or states—will not receive fuel or metallurgical products from Kuzbass in full. "We have been forced to do this by the food situation in our industrial region," explained Nikolay Krushinskiy. "We really are not able to feed ourselves because 97 percent of the working people in the oblast are industrial workers. We have no other way than to exchange part of our production for food through the secure channels of the local commercial firms."

Oblast Chairman Appeals to Yeltsin on Kuzbass

LD0511231291 Moscow Radio Rossii Network in Russian 1800 GMT 5 Nov 91

[Text] Amangildy Tuliyev, chairman of the Kemerovo Oblast soviet, has sent a request to Russian Soviet Federated Socialist Republic [RSFSR] President Boris Yeltsin in which he suggested that the situation in Kuzbass should be regarded as extraordinary and that this Siberian region should be placed under the control of Aleksandr Rutskoy, the RSFSR vice president. At a news conference today he explained this step as his desire to help the Kuzbass administration resolve the problem of impoverishment among the population. According to Tuleyev, Kuzbass still remains a hot spot in the country. The strike committees of teachers and medical, cultural, municipal, and transportation workers have drawn up and put forward their demands. Retirees, students, and citizens with large families and other social groups are in need of protection, it says in the request addressed to the president. The food crisis can easily grow into a crisis of confidence not only in the oblast but among republican authorities, believes the chairman of the oblast soviet, requesting that the situation in Kuzbass and in similar regions be examined by the RSFSR president and the RSFSR Supreme Soviet.

Moscow Plans Rally To Mark Oct Revolution

LD0711070291 Moscow All-Union Radio Mayak Network in Russian 0530 GMT 7 Nov 91

[Text] The government of Moscow has permitted a rally to be held today in connection with the anniversary of the October Revolution. The initiators of the meeting are the Working Moscow Movement, the United Front of the Working People Society, the Unity for Leninism and the Communist Ideal Association, and the functional Komsomol organization Communist Initiative.

The event is to start in the capital's Oktyabrskaya Square at 0900 [0700 GMT]. Then the procession will head for Red Square.

At 1000 in the morning in Lubyanskaya Square, a rally of mourning will take place, organized by the regional association of the Russian Christian Democratic movement in Moscow and the Democratic Party of Russia. There will be a civil requiem for those who were killed in the civil war. The rally will then proceed to the Moscow swimming pool where the demolished Cathedral of Christ the Savior is to be restored.

Moscow Bread Shortage Becomes 'Critical'

LD0711101391 Moscow All-Union Radio Mayak Network in Russian 0900 GMT 7 Nov 91

[Text] Since 0500 or 0600 this morning there have been long bread lines in Moscow. It is not the holiday spirit that is bringing our fellow residents into the shops. The bread shortage in the capital is evidently becoming critical.

Moscow Mayor Backs Housing Privatization

PM0611132791 Moscow ROSSIYSKAYA GAZETA in Russian 6 Nov 91 p 1

[Aleksandr Linkov report: "An Apartment—as a Present?"]

[Text] On 4 November the Moscow City Soviet Presidium adopted a decision to hand over accommodation to all the city's inhabitants free of charge. According to information received, this initiative is being supported by Gavriil Popov, the capital's mayor, and Boris Yeltsin's economic advisers.

The actual document registration procedure is also being simplified. Everyone who wants to become a property owner will receive a stamped piece of paper certifying that he is now the owner of an apartment or room and is obliged to pay an annual real estate tax.

The deputies are due to determine their attitude toward this privatization of housing in the capital by a roll-call vote at a 6 November session. If the decision is positive, the said legislative initiative will be considered by the president and the RSFSR [Russian Soviet Federated Socialist Republic] Supreme Soviet.

"I will try to do all I can to persuade deputies to support our decision," Moscow City Soviet Chairman Nikolay Gonchar said in conversation with our correspondent. "Negative consequences will indeed ensue from our draft, as with any version, but if we do not proceed with privatization there will be nobody to experience the consequences—people will give up the ghost."

Future of Novaya Zemlya Test Site Viewed

PM0611120991 Moscow ROSSIYSKAYA GAZETA in Russian 5 Nov 91 First Edition p 7

[Vladimir Anufriyev report: "On Banning Nuclear Tests on Novaya Zemlya"]

[Excerpts] There will be no nuclear tests at the Novaya Zemlya range in the Arctic archipelago for at least another year. That has been announced by the presidents of the USSR and Russia. There is information that the northern test range has been completely closed.

As your TASS correspondent was told at the Arkhangelsk Oblast Administration's Defense Industry Department, the official text of RSFSR [Russian Soviet Federated Socialist Republic] President Boris Yeltsin's 26 October order on the moratorium on nuclear explosions on the republic's territory has not been received yet. According to the available information, however, this document not only sets a one-year ban on testing but also directs that the range's activity be completely halted and that measures be elaborated to ensure the further use of its scientific and industrial potential and servicemen's social protection. [passage omitted]

Territorially Novaya Zemlya belongs to Arkhangelsk Oblast. Until now, however, this ownership has been purely formal. All the institutions of civilian power on the archipelago were closed in the mid-fifties, and since then the military have held boundless sway there. How zealously they treat the extremely vulnerable natural life of the Arctic can be judged from the sensational statistics published by Murmansk USSR People's Deputy A. Zolotkov.

It turns out that radioactive waste has been dumped in the sea off the archipelago for over 20 years. At least 11,000 containers full of nuclear reactor equipment, radioactive structures, and other hazardous "garbage" lies without secure containment in shallow waters. This barbaric practice was a secret not only from ordinary people in the north but also the oblast leadership.

The new oblast soviet decided to restore its jurisdiction over the Arctic islands, but it received a sharp rebuff from the USSR Defense Ministry General Staff authorized by its former chief, Moiseyev. There is no civilian population on Novaya Zemlya, consequently all decisions are made by the military command, and the creation of an oblast soviet will confuse the finely tuned mechanism of power structures.

Nevertheless, the oblast soviet has no intention of backing down. Its chairman, Yu. Guskov, repeatedly stressed that he will not tolerate the exclusion of such a vast and wealthy territory from the oblast's economy.

Everything connected with Novaya Zemlya is surrounded by a veil of secrecy. Nevertheless, your TASS correspondent has found out that Arkhangelsk geologists have detected deposits of copper running to millions of tonnes on the archipelago.

There is a current opinion that the northern test range is just a backup site, but that is not true. According to information cited by USSR People's Deputy A. Yemelyanenkov, the total yield of the 132 charges detonated there considerably exceeds the total yield of the 467 explosions at the Semipalatinsk range. Just seven of the 56 overground tests at Novaya Zemlya are comparable in yield to all the known explosions in the atmosphere by the remaining nuclear powers in the entire period of tests since 1945!

In 1961, a hydrogen bomb with a yield of 58.5 megatonnes, the most powerful hydrogen bomb in the history of tests, was detonated above Novaya Zemlya. Eyewitnesses testify to how grotesque the force of the explosion was. The shock wave shattered glass in houses at Dikson, 700 km from the range. The medical, biological, and genetic consequences of thermonuclear explosions in the atmosphere, specialists believe, will affect the region for the next 5,600 years.

The protest against the continuation of nuclear tests on Novaya Zemlya is assuming increasingly well organized forms in northern Arkhangelsk Oblast. The oblast's leadership unambiguously said "no" to increasing tests in connection with the closure of the Semipalatinsk range. Under pressure from the "Novaya Zemlya-Nevada" nongovernmental organization, radiological monitoring of the territory of the Far North has been established, and installations at the range have been visited by representatives of the local authorities, the public, and the press.

"K Novoy Zemle," a new antinuclear movement, has scheduled its organizational conference for 17 November in Arkhangelsk. Its aim is to end nuclear weapon tests on Novaya Zemlya and worldwide. The new movement intends to unite all antinuclear forces in Russia.

St Petersburg Mayor Allows 7 Nov March

OW0611234191 Moscow INTERFAX in English 2042 GMT 6 Nov 91

[Transmitted via KYODO]

[Text] St. Petersburg's Mayor Anatoliy Sobchak has allowed today, Wednesday, previously banned actions by public organisations on Nov 7.

Activists of the democratic movement will march in mourning procession down the centre and serve a requiem mass in the Palace Square for the victims of Communism.

The orthodox communist organisations will hold a rally near the Aurora cruiser in honour of the 74th anniversary of the Socialist Revolution.

The chairman of the city council Aleksandr Belyaev has called, though, in a talk with journalists, for refraining from all public actions tomorrow in fear of clashes between opposing groups. He also condemned the decision by the Mayor's Office to celebrate Nov 7 the restoration of the city's historical name. "This has nothing to do with the 74th anniversary of the Bolshevik coup", he said.

External Affairs

Communique Signed After Talks With Ukraine

LD0611175591 Moscow TASS International Service in Russian 1716 GMT 6 Nov 91

[By TASS parliamentary correspondent Gennadiy Talalayev]

[Text] Moscow, 6 Nov (TASS)—Talks have taken place today in the Russian White House between the official delegations of the Russian Soviet Federated Socialist Republic [RSFSR] and the Ukraine. Russian Presidnet Boris Yeltsin and Leonid Kravchuk, chairman of the Ukrainian Supreme Soviet, signed a communique on the results of the talks.

An agreement on the principles for trade and economic cooperation between the RSFSR and the Ukraine for 1992 was also signed.

Yeltsin, Ukraine's Kravchuk Comment

LD0611225591 Moscow Radio Rossii Network in Russian 2000 GMT 6 Nov 91

[Text] Today in the Russian White House, talks took place between the official delegations of the Russian Soviet Federated Socialist Republic [RSFSR] and the Ukraine. Correspondent Nikolay Artemyev reports:

[Begin recording] [Artemyev] All the speculation in journalistic circles about the incipient confrontation between the two largest republics of the former Union proved to be unfounded. As a result of the talks in Moscow, the delegations of the RSFSR and the Ukraine confirmed their resolve to develop all-round relations of friendship and cooperation founded on centuries of tradition.

The official communique signed on behalf of the Ukraine by Leonid Kravchuk, chairman of the republican Supreme Soviet, and on behalf of the RSFSR by President Boris Yeltsin, says in particular that both sides unconditionally respect each other's right to state independence and on a mutual basis will guarantee the openness of the borders existing between them. Both sides intend to give the utmost attention to ensuring the rights of national minorities, to cooperate in international matters, to cooperate in forming a common economic space, and to cooperate in managing transport and communications systems. The Russian side welcomes the statement of the Ukrainian Supreme Soviet on non-nuclear status, which confirms that the Ukraine lays no claim to possessing nuclear weapons.

Speaking to journalists after the signing of the communique and the agreement on the principles of trade and economic cooperation, RSFSR President Boris Yeltsin said:

[Yeltsin] I consider that a major event has taken place today both for Russia and for the Ukraine because these are the largest states on the territory of the former Union. We are linked not only by the history of this century but also the history of many past centuries. We are linked by friendship; we are linked by Slavonic traditions, by religion, and by the common struggle against our common enemies. We are linked by many things.

Of course, presently we have many thousand links in our economic relations. Therefore, neither the Ukraine nor Russia can manage without the other today. Therefore we have signed the bilateral communique and agreement in which we address the attitude toward human rights, which will be handled in accordance with international standards; the rights of the native and non-native population; and the rights of minorities.

Furthermore, the economic agreement confirms the idea we had before about expanding our cooperation in all spheres, not just economic but also cultural, intellectual, scientific-technical, and social, ethnic, etc. I think today's signing will relax the tension existing in certain regions of Russia and the Ukraine. That must be recognized frankly. The signing of this treaty—about which some people speculated that Russia would not sign or the Ukraine would not sign, that we would not reach such an agreement on deliveries of oil, timber, gas, and other products—all these questions have been removed and everyone should be reassured, including miners, metal workers, and the whole population of the Ukraine and Russia, that we did not just sign these obligations today but that we will strictly enforce their implementation.

[Artemyev] This is the opinion of Leonid Kravchuk, chairman of the Ukrainian Supreme Soviet:

[Kravchuk] I want to say that last year in Kiev a treaty was signed between the Ukraine and Russia. In the communique we confirmed our loyalty. I fully agree with what Boris Nikolayevich said. This move that we made today was awaited, I am convinced, by both the people of the Ukraine and the people of Russia. This will eliminate many issues that were becoming heated and were developing against the interests of our common history, our past, and our future. Thus we answered the basic interests of the peoples.

[Artemyev] Let me add that the treaty signed today envisages government implementation of regulations on supplying the most important types of production. There is hope that Ukrainian goods will appear on our meager Russian market. [end recording]

Belorussia

Response to RSFSR Price Liberalization Set

PM0711141191 Moscow IZVESTIYA in Russian 6 Nov 91 Union Edition p 2

[Correspondent M. Shimanskiy report: "Belarus [Belorussian] Reply to B. Yeltsin's Statement"]

[Text] Minsk—A Belorussian parliament session has instructed economic commission chairmen to draw up a draft resolution in connection with Russian President B. Yeltsin's statement at the Congress of RSFSR [Russian Soviet Federated Socialist Republic] People's Deputies.

What the Russian president said—especially about price liberalization and the introduction of world prices for raw materials—has agitated all Belarus [Belorussia]. The republic's economy is essentially wholly and fully "linked" to Russian raw materials. For instance, the work of industrial giants such as "BelavtoMAZ," the Minsk Tractor Building Association, and many others wholly depends on suppliers. There are hundreds of suppliers and they are mainly located in Russia. Not for nothing is Belarus industry called a great assembly facility.

What will the republic do if Russia, as its president has stated, introduced world prices for raw materials and free prices for all goods? This vitally important question was discussed at a sitting of the seventh session of the republic's parliament—and behind closed doors, which came as a great surprise to journalists. After the parliamentary debates ended the chairmen of a number of parliamentary commissions attended a meeting with journalists and explained a few things.

First, Yeltsin's statement is so far just a statement. An economic agreement has been concluded between Russia and Belarus in which they agree to avoid any steps which would infringe other republics' interests in any way. The Belorussian parliament has therefore decided to send delegations to Russia and the Ukraine for consultations and it is only after this that the republic's position in the prevailing situation will be finally determined.

S. Ling, chairman of the Belarus Goskomekonomplan [not further identified], stated that the republic's government was prepared for the news from Moscow. Should Russia introduce world prices for raw materials and free prices for all goods, the republic has worked out six options for changing prices. Calculations have been drawn up for the import and export of goods to all republics. Journalists have learned that two firms—one British, one Swedish—are preparing to produce Belorussian money on a competitive basis.

But if Russia demands payment for, say, oil, coal, or gas at world prices, then Belarus will respond in kind when it comes to payment for its BelAZ trucks, bearings, and other scarce products.

Certain republic deputies, defining their position on Yeltsin's statement, were categorical: Belarus should conduct an absolutely independent economic policy. These people are called "hotheads" in parliament: How can such a powerful economy as Belarus be independent without its own raw materials base?

Moldova

Prime Minister on Joining Economic Community

LD0611181791 Moscow TASS International Service in Russian 1718 GMT 6 Nov 91

[By TASS diplomatic correspondent Sergey Nikishov]

[Text] Moscow, 6 Nov (TASS)—At this present stage, the Economic Community Treaty is the best one possible for the sovereign republics, assesses Valeriy Muravskiy, the prime minister of the Republic of Moldova. Today he and Vitold Fokin, the Ukrainian prime minister, signed this document in the Kremlin, indicating in this fashion that their republics are subscribing to the treaty which eight republics of the former Union joined on 18 October.

In a conversation with journalists after the signing ceremony, the leader of the Moldovan Government stated that the treaty permits the preservation of the links previously established between the republics and in this way permits the stabilization of the economic situation in society as a whole. Without ruling out the possibility that difficulties could appear in working out special agreements for this treaty, he expressed the hope that "a majority of the states which have signed the document are in a position, taking into account our common past and our identical economic states, to reach an accord on these agreements."

Talking about the prospects for political cooperation between Moldova and the other republics, Valeriy Muravskiy stated: "We support an economic community, but at this stage we are not planning to join any political or military unions."

The Moldovan prime minister has on the whole reacted positively to the program of reforms put forward by Boris Yeltsin, the Russian president. In his view, it will "urge on the others, too." He considers that all of the republics, on the issues of carrying out economic reforms, "are roughly at the same level." But the situation has become so much more complicated that "the actions of Russia could provide the spur to speed up the reform process," noted Valeriy Muravskiy.

Ex-Prime Minister Druc Discusses Reunification

AU0611182791 Bucharest ROMPRES in English 1329 GMT 6 Nov 91

[Text] Bucharest ROMPRES, 6/11/1991—Romania will have to ask that his 1940 boundaries be recognised, as the Baltics have been, opined Mircea Druc, former prime minister of the Republic of Moldova.

In an interview with the daily "COTIDIANUL," the ex-premier said that "the Republic of Moldova does not exist and has never existed," it was "created" so that "Romania can have the other Moldova." Russian Tsarism had a theory of dismembering Moldova. Russia has never liked the 1859 union of the two Romanian principalities, Moldova and Wallachia, but it had to accept it, as this union was detrimental to Great Britain and Turkey. "A special theory was launched later on," added Mr. Druc, "that of the Moldovan tongue and the Moldovan nation. And regionalists could possibly have claims on greater Moldova." The ex-premier also warned that "Romania has to be aware of this geopolitical and strategic bomb," as "Romania cannot be dismembered as happened with Poland and Czechoslovakia." The declaration of independence of the Republic of Moldova was "a first step, the ideal being Romania's reintegration. We shall have to do away with the consequences of the Ribbentrop-Molotov treaty. "Just like Estonia, Latvia, Lithuania, Romania was attacked in 1940 and certain Romanian territories became part of the Soviet Union," and "we must therefore right this historical error" as the question can be posed "whom did Moldova become independent from?" "The union is unavoidable as nobody will accept a civil war like that in Lebanon," opined Mr. Druc, referring to the experience after World War I, when the Moldovans of Bessarabia were spared a civil war similar to those in the Ukraine and Russia, and famine.

Asked about the solution to the problems of other Romanian territories, i.e. Bukovina and Herta County, the former premier opined that the government in Bucharest should have an initiative, "namely to say that it recognises the independent state of the Ukraine, but the Ukraine is not the heir of Tsarist Russian colonies. Romania lost some territories in 1812, when attacked by the Soviet empire, but it has been torn off. [sentence as received] What we want is our Romanian territories." "We cannot allow Romania to behave the way it did at the Crown Council, when Stalin asked it to free northern Bukovina, Bessarabia and Herta County," mentioned Mr. Druc, adding that "all states defend themselves when they are attacked."

Referring to a real economic unification of Bessarabia and Romania, Mr. Druc considers that "the convertibility of the national currency must be forced," and the Romanian currency has to be the one in all the Romanian territories, which must also be understood at Chisinau [Kishinev], as Moldova has no funds to print its own money. "The Romanian currency can be more stable and strong than the ruble" said the ex-premier, adding that "Romania should prove it could exist without the (Russian) empire, and that is "encouraging" for Moldovans and Bukovinans.

Speaking of the presidential elections in the Republic of Moldova, the interviewee said that "many want elections to be held, thinking that, indirectly, they guarantee that Moldova will not get united with Romania and it will sign the economic treaty (with the Soviet Union).

Energy Shortage Squeezes Republic

LD0611235791 Moscow TASS in English 1233 GMT 6 Nov 91

[Text] Kishinev November 6 TASS—Moldavians are facing strict controls over energy, gas and fuel consumption following a decision taken by its government yesterday.

The Moldavian Cabinet of Ministers pointed out it is due to drastic cuts in energy supplies from the former Soviet republics. Moldavia has less than one tenth of its usual seasonal fuel requirements and is now unable to harvest its crops or even supply its ambulances.

The danger of switching to world market prices in Moldavia's trade with Soviet republics is increasing the possibility of the rebel republic signing the economic Union treaty. Prime Minister Valeriy Muravskiy is apparently now in favour of the agreement.

Fuel, Gasoline Prices Rise Again

LD0611173991 Moscow TASS International Service in Russian 0512 GMT 6 Nov 91

[By TASS correspondent Fedor Angeli]

[Text] Kishinev, 6 Nov (TASS)— Prices have gone up again for petroleum products in Moldova. Including the 5 percent sales tax, the price of A-92 and A-93 octane gasoline has risen by 50 percent. Moreover, the price of all kinds of fuel is now going to be set monthly, depending upon the price the republic has to pay for the raw product, its processing, and transportation.

Resolution on Presidential Election Adopted

LD0711001391 Moscow TASS International Service in Russian 1003 GMT 6 Nov 91

[By MOLDOVA-PRESS correspondent Anatoliy Golya and TASS correspondent Aleksandr Tanas]

[Text] Kishinev, 6 Nov (TASS)—The presidium of the Moldovan parliament had adopted a resolution "On a Number of Measures Regarding the Organization and Holding of Presidential Elections." It instructs that a number of measures be implemented to ensure that presidential elections are held successfully in those regions of the republic where self-government bodies have refused to set up territorial electoral commissions.

The presidium of the Moldovan parliament has extended the time for setting up territorial electoral commissions in the rayons and towns mentioned above. The Central Electoral Commission has been granted the right to set up electoral commissions in the settlements where the local self-government bodies refuse to do this.

The resolution which was adopted permits the residents who have the right to vote, and who reside in the settlements where electoral commissions have not been set up, to take part in presidential elections at any polling station on the territory of the republic upon showing their passports or any other identification documents.

Boycotting Election Criticized

AU0711110591 Bucharest ROMPRES in English 0956 GMT 7 Nov 91

[Text] Chisinau [Kishinev] ROMPRES 7/11/1991—The boycott by the whole people of the election of the republic's president, to which we are urged by certain political forces precisely at a time when Moldova takes its first steps as an independent state may only be termed an attempt to stifle its new independence, reads a statement of the Steering Committee of the Journalists' Union of the Republic of Moldova, released by MOLDOVA PRES.

Residents of Dnestr Region Favor Independence

OW0711000991 Moscow INTERFAX in English 2042 GMT 6 Nov 91

[Transmitted via KYODO]

[Text] The Moldovan Sociological Institute has taken an opinion poll in the Dnestr region which a year ago declared itself a republic.

53% of respondents support Moldova's independence, 29% oppose it and 18% found it difficult to answer.

68% condemned the August coup, 14% approved it, 18% found it difficult to answer.

62% are in favor of radical economic reform and transition to a market economy, 22% against, 16% found it difficult to answer.

41% believe the creation of the department for the Dnestr region affairs attached to the Moldovan Government would help resolve the problems in the zone, 32% do not think so, 27% found it difficult to answer.

As for the Conciliatory Commission made up of representatives from the Dnestr region and Moldova, 40% of those polled are sure that it would contribute to stabilizing the situation. 30% think its activities will give no result. 9% said the Commission will only aggravate the situation and 21% found it difficult to answer.

Further on Arrested Riga OMON Members

AU0711130091 Bucharest ROMPRES in English 1156 GMT 7 Nov 91

[Text] Chisinau [Kishinev], ROMPRES, 7/11/1991—Two associates of the Riga OMON [Special Purpose Militia Detachment], who entered the Republic of Moldova illegally, thus violating the order of the minister of the interior of the USSR, were arrested in Moldova's territory, Ion Costas, minister of the interior of Moldova, told MOLDOVA PRES.

As is known, under the respective order, the members of the Riga OMON were bound to go and continue the service in Tyumen Region. "Being illegally in the territory of Moldova", the minister said, "those persons interfered in the internal affairs of the republic, caused conflicts between the inhabitants on the left and right bank of the Dnester".

Ion Costas stressed that there still are a few members of the Riga OMON in Transdnestria. The police of Moldova will take all steps to arrest them and defer them to legal bodies of Latvia, where they are under criminal investigation. The bodies of the Ministry of the Interior of Moldova are bound to do it also under the accord of collaboration signed with their Latvian counterpart", MOLDOVA PRES shows.

Ukraine

Fokin Discusses Signing Economic Pact

LD0611172991 Kiev Radio Kiev in English 0100 GMT 6 Nov 91

[Unattributed report on speech by Ukrainian Prime Minister Vitold Fokin to a session of the Ukrainian Supreme Soviet in Kiev on 5 November; Fokin speaks in Ukrainian with superimposed translation into English]

[Excerpts] The session of the Supreme Soviet of the Ukraine continued its work in Kiev today [5 November]. The fact that Ukrainian Prime Minister Vitold Fokin is going to sign in Moscow the Economic Community Treaty has brought about an explosive situation at the morning sitting of the session. Yesterday this issue was raised at the sitting of the State Council in Moscow. The intention of the Ukraine to sign this agreement became known today in the morning from the central mass media. The deputies were astonished that the preparation of the treaty is going on without their knowledge; they are not acquainted with its provisions. They sharply criticized such a situation, demanding that the premier should immediately give explanation, the chairman of the Supreme Soviet be recalled from the pre-election presidential tour, and all t's should be crossed. [passage omitted]

The chairman of today's sitting, Ivan Plyushch, underlined that the prime minister himself must make clear the situation—he is already in Kiev. It was also decided to circulate the draft Economic Community Treaty in its new variant. [passage omitted]

After the interval, the Prime Minister Vitold Fokin spoke before the deputies explaining the government's position. He said:

[Begin Fokin recording] I will say definitely that the Cabinet of Ministers firmly supports the idea of the necessity to develop and extend economic relations between the sovereign states, subjects of the former Union. The one who thinks otherwise has no idea about the present day world and about ties in the present day economy. Uncertainty in economic relations leads to an unjustified rupture of relations, nonfulfilment of the signed agreements and treaties, and as a result, to the curtailment of the production volume, creation of social tensions. The Cabinet of Ministers resolutely comes out for economic community and we honestly move towards this agreement.

We made nearly two dozen amendments which we asked to take into account while finalizing this document. Unfortunately, the text of the draft treaty agreed upon in Alma-Ata was totally changed in Moscow, which didn't allow us to sign it on 18th October. The Cabinet of Ministers continues consultations with the interrepublican economic committee (?and the republics) on the content of the treaty. We are discussing the terms of its signing naturally with due account of the interests of the Ukrainian people and stabilization of Ukraine's economy. [end recording]

The Ukraine's premier declared that the majority of amendments made by Ukraine were reflected in the last variant of the treaty, but at the same time not all the principal provisions have been taken into account. There is, for example, the violation of international convention in the sphere of negotiating practice.

[Begin Fokin recording] Because of those conditions, sovereign Ukraine could not sign the mentioned treaty. However, one should have a weighty approach to probable consequences of this decision. During the time which passed after the signing of the treaty, the situation has sharply deteriorated in concluding economic agreements between the enterprises of Ukraine and enterprises of the states which have become members of the economic community. Refusals to conclude agreements are mostly motivated by the fact that Ukraine is not a member of the economic community. Proceeding from this the government hopes that with due account of that said above the treaty on economic community would be initialled in the near-coming time, which was said by me yesterday at the sitting of the State Council. I have in mind that the treaty will come into force only after it is ratified by the Supreme Soviet of Ukraine. [end recording]

He said that tomorrow Ukraine intends to sign an agreement with Russia on cooperation in economic and other spheres. But what the prime minister said about the position of Russia was evaluated by the deputies as a blackmail. This is how Fokin interpreted the position of Russia.

[Begin Fokin recording] (?So) since we intend to make payments at world prices then when making the balance it turns out that Ukraine will have a minus balance of 12 billion rubles and I was proposed that Ukraine should deliver sugar, meat, bread, and other products to Russia to this sum. [end recording]

Taking into account an exclusive importance of an issue on economic community [as heard], which by the way was evaluated by certain deputies as the first step to being involved into a political union, the deputies decided that the draft treaty on economic community will be examined tomorrow [6 November] after it is discussed today in the commissions. [passage omitted]

Supreme Soviet Assails Media Campaign

LD0711111491 Moscow TASS International Service in Russian 1803 GMT 6 Nov 91

[Text] Kiev, 6 Nov (UKRINFORM-TASS)—The Presidium of the Ukrainian Supreme Soviet has appealed to mass media workers, and to all to whom the future of sovereign states is not a matter of indifference, to be tolerant, restrained, and worthy of the great goal of building a democratic society.

Because the proclamation of the act of Ukrainian independence, publications have been appearing in a number of media outlets of the former USSR which discredit the actions of the parliament and Government of the Ukraine, sowing dissent among the population of the republic on interethnic grounds, intimidating people about political and economic chaos in the conditions of the Ukraine's independence existence, and strengthening rumors about "a possible exchange of nuclear strikes between an independent Ukraine and the Russian Soviet Federated Socialist Republic," a statement by the Presidium of the Ukrainian Supreme Soviet circulated here today says.

We regard this, the document points out, as deliberate contempt for the sovereignty of the Ukraine, a relapse into imperial thinking, and an attempt at a news diktat, all aimed at strengthening sociopolitical tension in the Ukraine and in interstate relations.

It is especially important today to bring people balanced, objective news, and to cover the historical legacy in relations between the Ukraine and Russia from a position of strengthening the bond of friendship of the peoples, the statement asserts. The Ukraine has embarked on the path of building an independent democratic state on the principles of good-neighborliness and mutual respect with all countries of the world.

Kravchuk Promises To 'Safeguard' Industry

PM0611125991 Moscow PRAVDA in Russian 4 Nov 91 p 2

[Correspondent M. Odinets report: "Resuming Ties With Russia"]

[Text] Leaders of major enterprises in the republic have had a meeting in Kiev with Leonid Kravchuk, chairman of the Ukrainian Supreme Soviet. The participants talked about the politicians' failure to take the interests of production into account, and called for the immediate resumption of economic ties with Russia.

"If enterprises belong to the state, it should take care of them," Kravchuk said replying to the directors. "I support the position you have advocated. We—the Ukrainian Supreme Soviet and Council of Ministers—should do everything possible to safeguard industry's work in 1992."

The economic agreement as a whole will be signed Monday, and an economic agreement with Russia will be signed by the end of the week.

Presidential Contenders' Programs Viewed

PM0611172191 Moscow IZVESTIYA in Russian
5 Nov 91 Union Edition p 2

[V. Filippov article: "The Ukraine Before the Presidential Election: The Aspirants' Chances and Programs"]

[Text] According to a forecast by sociologists, Leonid Kravchuk, the present chairman of the Ukrainian Supreme Soviet, has the best chance of becoming the first president of the Ukraine—his rating stands at 38.3 percent. The main competition to Leonid Kravchuk in the election scheduled for 1 December will most likely be provided by Lvov Oblast Soviet Chairman Vyacheslav Chornovil, nominated by "Rukh." True, presently he is considerably behind his distinguished rival in terms of popularity (Chornovil's rating is 14.5 percent), but the election campaign is not yet over, and God knows what surprises will result from the candidates' intensive trips around the south and east of the Ukraine.

For example, at a news conference in Zaporozhye Chornovil informed journalists that the sum of the ratings of all the presidential candidates from democratic organizations is approximately equal to Kravchuk's rating, and if these organizations unite and put up a single candidate, then victory over the "former high-ranking party apparatchik" (Kravchuk used to run the Ukrainian Communist Party Central Committee Ideological Department) will become perfectly realistic.

A second pre-election surprise came to light when the Zaporozhye District Electoral Commission published the signature lists. I will remind you that everyone who wished to run for the presidency was obliged to collect in advance in the Ukraine 100,000 signatures of his supporters. Thus, in Zaporozhye V. Grinev, deputy chairman of the Ukrainian Supreme Soviet, unexpectedly proved to be second after Kravchuk in terms of the number of votes, while Chornovil's Zaporozhye supporters were able to secure only 10th place for him.

The idea of national revival, which has become the driving force behind changes in Galicia, where Ukrainians form the majority of the population, does not have such mass support here, in the polyglot regions close to the Sea of Azov and the Black Sea. The young power's industrial might is concentrated in the southeast, and the inhabitants of that industrial region associate an improvement in their life primarily with economic revival.

Chornovil is convinced that an independent Ukraine must not sign the Economic Community Treaty—bilateral economic agreements with the sovereign republics of the former USSR are enough. But the Ukraine already has a Treaty of Cooperation with Russia, and yet Zaporozhye plants, which are tighly linked with their Russian colleagues by technology, have reduced production by 1.2 percent compared with last year owing to chronic shortages in deliveries of raw materials and subassemblies from Russia. And this slump is far greater in the Ukraine as a whole.

As a result of the "parade of sovereignties" the ruble has passed away as a monetary unit. This is the chief reason for the rupture of economic ties. You have only to offer dollars or barter, and suppliers at once find everything—even pigeon's milk. Forcibly severed economic ties grow together again how they can, assuming misshapen forms. Today the Zaporozhye "Dneprospetsstal" plant has been forced to send transport aircraft to Norilsk with goods to barter there for nickel, without which it cannot smelt the steel which is really essential to the Zaporozhye "Motorostroitel" Association, which supplies engines to aircraft plants in Russia itself.

Confidence in the effectiveness of bilateral agreements between sovereign republics has been pretty well undermined by a sad reality for labor collectives: the production slump, instability in earnings, and the subsequently inevitable unemployment. More than 80 percent of the republic's industrial production does not have a complete technological cycle on its territory. So, for people who earn their daily bread at a machine tool or drawing board say the desire for unity throughout the space of the former Union is dictated by life itself, and very little depends on changing flags, setting up customs offices, or the assertion of state languages.

Leonid Kravchuk promises them this desired unity. He has assured the future voters that the Ukraine will sign the Economic Community Treaty right after its parliament is convinced that the appendixes to this treaty concretizing the sides' actions do not run counter to the republic's sovereignty. V. Grinev takes a similar but perhaps more rigidly defined position on the economic community. According to him, canceling economic ties with other republics is not just an adventure but madness. It will lead to an economic explosion capable of sweeping aside any political force in the Ukraine. The only reasonable way today is to establish sensible rules for all the republics of the former Union in order to make it possible, by operating under conditions of a unified economic space, to utilize all our achievements.

It would be interesting, however, to ascertain why many thousands of Zaporozhye residents, in filling up the signature lists, preferred a professor from Kharkov, who first attracted universal attention comparatively recently, over a well-known and influential politician. At the Supreme Soviet session V. Grinev spoke against the adoption of the Ukrainian Act of Independence, basing his position on the assertion that such a fateful document must be accompanied by a package of resolutions on the republic's in-depth democratization. Nonetheless, the act was adopted, and building a sovereign state began on a not-fully-understood totalitarian foundation. Signs of just such building can be divined in the desire of certain influential politicians to act as though the Ukraine were a monolithic state in which different conceptions of the Act of Independence by eastern and western oblasts, different interpretations of the March referendum, and different views on the referendum on the Ukraine's sovereignty scheduled for 1 December do not exist.

The answer to V. Grinev's great popularity in the southeast of the republic should evidently be sought in that section of his election program which concerns the Ukraine's internal structure. V. Grinev is a principled supporter of making the Ukraine a federative formation by turning it into a union of lands with very broad rights close to those that the German laender or the U.S. states have. This, in his opinion, is the only guarantee of the republic's stability, since disregard for the special features of its regions and for differences of national structures has already resulted in the first outburst of confrontation—presently only between the Crimea and Kiev.

The idea of a federative system has no substantial support in the Ukrainian parliament, but something that the "upper echelons" do not want is already being discussed actively at the "grass-roots" level. In Donetsk recently people's deputies at all levels from 10 southeastern oblasts and the Crimea adopted a statement to the Supreme Soviet which speaks, in particular, of the need to form a sovereign republic as a state with a federative-land structure—without the right to secede from the Ukraine.

Candidate on Center 'Provocation'

LD0611203791 Kiev Radio Kiev in English 0100 GMT 6 Nov 91

[Text] If I am elected president, I will at first cancel President Gorbachev's sale tax, stop the mass plunder of Ukraine which is continuing, stated Levko Lukyanenko, chairman of the Ukrainian Republican Party, during his meeting with teachers in Nikolayev. Further, Levko Lukyanenko said the following:

[Begin Lukyanenko recording in Ukrainian with superimposed translation into English] I do not always see a kindly disposed attitude on the part of the center. They are resorting to provocation in order to ruin our economy and our (?plants). Instead of promoting a way out of this critical situation they are intentionally creating hardships. In this I see far-fetched plans for arousing the dissatisfaction of certain categories of workers. This again will be done by spreading provocative rumors by radio, stating that this has come about because Ukraine has become independent. [end recording]

Candidate Meets U.S. Defense Official

LD0611203291 Kiev Radio Kiev in English 0100 GMT 6 Nov 91

[Text] Presidential candidate Vyacheslav Chornovil, who has the highest rating after Leonid Kravchuk, met with the U.S. Defense Secretary Donald Atwood [title as heard]. They discussed issues pertaining to conversion of Ukraine's military-industrial complex. The majority of the republic's enterprises continue working for the defense of the former Soviet Union. Vyacheslav Chornovil said the following on reform in this branch.

[Begin Chornovil recording in Ukrainian with superimposed translation into English] Even the reduction of the Army will not be as painful as the need for a speedy conversion of the military industrial complex. This takes in the fate of tens of thousands of people who are now employed there. This also includes the fate of our large enterprises, rather highly modernized enterprises, which today can be left without orders, and those tens of thousands of workers can be left without a job. We have no right to lose such high level technology and professional level of these people. That is why I dwell repeatedly on this topic. I wanted to direct the attention of the United States to the fact that if the military-industrial complex will be abolished, if we successfully introduce conversion then this could have a political significance. [end recording]

Republic Appeal for Hard Currency Noted

LD0611165791 Kiev Radio Kiev in English 0100 GMT 6 Nov 91

[Text] The Government of Ukraine has adopted an appeal to the work collectives of the republic asking for voluntary assistance in foreign trade currency for the purchase of a certain amount of grain abroad. So far 25 work collectives have heeded this appeal. They have transferred over 3 million foreign trade rubles to the Ukrainian Bank, a branch of the USSR Foreign Economic Bank.

Armenia

Gas Supply Cut Off Until Firing Stops

LD0611230391 Moscow Central Television First Program Network in Russian 1900 GMT 6 Nov 91

[Text] If you remember, Azerbaijani President Mutalibov promised yesterday to give our program his reaction to the cutting off of gas supplies to Armenia through Azerbaijan. Today, our correspondent received an answer, but it came from Mutalibov's adviser, Musabekov. Here is that answer: Fuel will be supplied to the neighboring republic only after it stops firing on peaceful villages in Azerbaijan's Kazakh Rayon.

[Begin Musabekov recording] The gas pipeline has not been closed, as the mass media such as today's PRAVDA in particular are claiming, but is damaged. During the official negotiations which began with the Armenian side in the presence of intermediaries from Russia and Kazakhstan, an understanding was reached that it was necessary to restore that section. Moreover, men were planning to embark on that work on the instruction of the republic's government. However, on the night of 4 to 5 November, the village of (Khiriblin), on the section through which the gas pipeline passes, was yet again subjected to a ferocious attack from the Armenian side. One villager was killed, one militia officer was seriously injured, and four houses and a kindergarten were burned down. The village was fired on with rocket launchers and flamethrowers. Obviously, in that atmosphere with a corresponding reaction from the local population, it is simply impossible to carry out the necessary repair work on the territory of the rayon. [end recording]

Official Says Supply Trains Delayed

LD0711001491 Moscow TASS in English 0823 GMT 6 Nov 91

[By correspondent Vitaliy Jibuti]

[Text] Moscow November 6 TASS—Things remain complicated along the north Caucasian railway, chief dispatcher of the Soviet Railroad Ministry Pavel Kharitonovich said this morning in an interview with a TASS correspondent. More than twenty trains carrying supplies for Armenia are now awaiting to be let through the border posts.

Traffic in other regions operates normally, no accidents have been reported, Kharitonovich said.

Parliament Ends Session; To Reconvene 11 Nov

NC0611220891 Yerevan Radio Yerevan Network in Armenian 1830 GMT 6 Nov 91

[By Gayene Yelanozyan and Mesrob Saakyan from the Armenian Supreme Soviet session held on 6 November in Yerevan—recorded]

[Excerpts] [Yelanozyan] In today's session the parliament continued its debate on the Supreme Soviet bill. The debate opened with a discussion on Article 10, an extensive article composed of some 30 points. The article defines the Supreme Soviet's jurisdiction and mandate. It includes such points as: The Supreme Soviet adopts the constitution of the republic, interprets the laws, decides on the state boundary, has the power to (?confirm) and annul the republic's international agreements, etc.

New proposals and amendments were put forward on each point of this important article. A debate developed in particular on Point 5, which defines the status of [words indistinct] of the administrative-territorial divisions of the republic and the boundaries of the regions and cities. [passage omitted]

After a few votes, the deputies introduced an additional point to Article 10 stipulating that the Supreme Soviet is dissolved in conformity with the law (?on) the early termination of the mandates of the deputies. After long debate the last part of Point 30, which stipulates that the republic's laws and Supreme Soviet decision are passed by a [number indistinct] votes of the deputies, was deleted. It was also decided to discuss the point on war and peace later. [passage omitted]

Differences also emerged on Point 13, which defines the composition of the Supreme Soviet Presidium. None of the new proposals and amendments received enough votes. This point was finally adopted in its original form. The Presidium (?is made up) of the Supreme Soviet chairmen, his deputies, [word indistinct] and the chairman of the standing commissions. Point 14, which refers to the Supreme Soviet Presidium's (?jurisdiction) was endorsed almost without debate.

Thus ended the three-day session of the parliament. A proposal to continue the deliberations tomorrow was voted down. First Deputy Chairman Babken Ararktsyan reminded the deputies that at 1100 on 11 November there will be the special session of the Supreme Soviet devoted to the ceremony confirming the republic's first president.

KGB Wants To Market Secure Communications

PM0711103791 Moscow PRAVDA in Russian 31 Oct 91 p 2

[By correspondent A. Khanbabyan: "Telephone for Businessmen"]

[Text] Yerevan—The Armenian chekists [KGB] have applied to the republic's Council of Ministers for permission to use government and operational communications for commercial purposes. As is known, they are not only highly reliable, but are well protected against eavesdropping. It is this that attracts many business people—heads of private, commercial, industrial, and trade structures. Businessmen would not mind having high-frequency telephones in their offices in order to keep secret information from competitors. And the KGB, which is in charge of special communications, is prepared to grant them this opportunity—for a suitable payment, of course. The money will be used to strengthen the committee's technical services and help resolve some of the problems in providing social and consumer amenities for personnel.

Bakery Stormed in Yerevan 6 Nov Bread Riot

OW0711143991 Moscow INTERFAX in English 1245 GMT 7 Nov 91

[Transmitted via KYODO]

[Text] In Yerevan on Wednesday [6 November] crowds of people, having lost hope of buying bread, stormed a bread factory. Part of the bread was removed and the rest was trampled. Policemen attempting to stop the riot arrested two people.

Azerbaijan

Republic Declares Independence, Property

LD0711114991 Moscow TASS in English 1126 GMT 7 Nov 91

[By AZERINFORM-TASS correspondent Viktor Shulman]

[Text] Baku November 7 TASS—Azerbaijan declared its state independence and appropriated all federal property on its territory, under a legal act that will form the basis of its new constitution.

The constitutional act on the state independence of the Republic of Azerbaijan, which was published in the local press today, restores Azerbaijani statehood and declares "all movable and immovable property of the USSR on (Azerbaijani) territory" to be the state property of Azerbaijan.

The act also encourages market-based relations and recognises private ownership.

Turkey Recognizes Independence

OW0611235791 Moscow INTERFAX in English 2042 GMT 6 Nov 91

[Transmitted via KYODO]

[Text] The Turkish Republic has officially recognised the independence of Azerbaijan—as Radio Azerbaijan reports with reference to a special correspondent of the Turkish newspaper MILLIET in Azerbaijan.

Politicians Unite on Independence

NC0611220091 Istanbul TERCUMAN in Turkish 6 Nov 91 p 12

[Text] Two of Azerbaijan's most respected citizens, Prime Minister Gasan Gasanov and people's Deputy Etibar Mamedov, who bitterly criticize each other's politics, agreed to agree on Azerbaijan's independence. Mamedov said: "We are together on independence; however, differences of opinion between the People's Front and the administration persists."

Gasanov and Mamedov met last week in Istanbul and indicated that they will pool their efforts to obtain recognition of Azerbaijan's independence.

Gasanov and Mamedov said that all the political organizations and political forces in Azerbaijan are united as a fist regarding independence, saying: "The most important problem for us right now is to bequeath a free and strong Azerbaijani republic to future generations."

People's Deputy Mamedov handed the Azerbaijani parliament's letter requesting that Turkey recognize Azerbaijan to Turkish officials.

Gasanov, who met Prime Minister Mesut Yilmaz in Ankara, said afterwards that there are strong signs that Turkey will recognize Azerbaijan.

Azerbaijani Turks are extremely pleased that their leaders are pooling their efforts together. The joint decision on independence pleased everybody in the country.

Azerbaijani intellectuals also appreciate the fact that the otherwise dissenting leaders are working together on this issue. The politicians say that unity is necessary to surmount the obstacles placed before us and that they will exert every effort to uphold their agreement.

The Azerbaijani statesmen's act was also positively received in Turkey. Turkish Foreign Ministry officials are stressing that this unity should be put to good use. Indicating that a stable and strong Azerbaijan is to Turkey's advantage, the officials said: "Turkey will be on Azerbaijan's side on all matters."

[TERCUMAN 3 November on p 10 reports on the visit of Etibar Mamedov, "a member of the Azerbaijan People's Front and Azerbaijani National Security Council." The paper writes: "In a news conference held yesterday, Etibar Mamedov said that the Azerbaijani parliament met on 30 October and decided that 'the first application for the recognition of independence should be made to the Turkish Republic, the greatest independent Turkic state in the world.'"

[The paper also writes: "Mamedov also said that the People's Front does not recognize the Mutalibov government, but has withdrawn its demands for his resignation in order to keep things friendly in these difficult days. Etibar Mamedov said: 'The most important problems facing Azerbaijan now are recognition of its independence, the lifting of the Russian pressure, and the Armenian question. Hence, we decided to set aside internal problems for a while and act together.'"]

Parliament Recognizes Georgian Independence

LD0611184191 Moscow Radio Rossii Network in Russian 0800 GMT 6 Nov 91

[Text] A session of the republican Supreme Soviet has been held in Azerbaijan. Our correspondent Azer Khalilov will tell us about it.

[Khalilov] The Azerbaijan Supreme Soviet has recognized the independence of the Republic of Georgia. The republican Supreme Soviet has made a statement on this which says that on the basis of the common human right of everyone to choose their path of national development and to assert their statehood, the Azerbaijan Supreme Soviet takes an attitude of deep respect and awareness of historical justice toward restoring Georgia's state independence, lost in 1921 as a result of external aggression. Recognizing the legal fact of the proclamation of the independence of the Republic of Georgia, the Azerbaijan Supreme Soviet expresses the hope, on behalf of the Azerbaijani people, that free and democratic Georgia, guided by the international principles of interstate links and cooperation, by the age-old traditions of our peoples, and by the agreement on friendship and good-neighborliness between the Republic of Azerbaijan and the Republic of Georgia signed by both presidents on 12 July 1991, will be an active participant in constructing a unified and prosperous Caucasian home.

While the Azerbaijan Supreme Soviet was making a statement recognizing the independence of Georgia, the Armenian army went on the offensive in the zone of Kazakhskiy Rayon in Azerbaijan. The information department of the People's Front of Azerbaijan reports that during this, troops of the Soviet Army calmly watched from well dug positions while their clients smashed and destroyed Azerbaijani homes. It is reported that the villages (?Kheremli), (?Mezhim), and Ashagy-Aspitara have been fired on from the territory of Armenia since 4 November. To date, the village of (?Kheremli) has been totally burned down.

[Announcer] As an update on the conflict on the Armenia-Azerbaijan border, Azer Khalilov has just reported by telephone that two rockets which landed 50 meters from a gas pipeline and interrupted the fuel supply were fired from the village of (?Lyalya) in Idzhevan Rayon, Armenia.

Nakhichevan Orders Seizure of Rail Traffic

LD0711115591 Moscow TASS International Service in Russian 1903 GMT 6 Nov 91

[Text] Moscow, 6 Nov (TASS)—The USSR Ministry of Railways has appealed to the USSR Procurator General Nikolay Trubin and the President of Azerbaijan Ayaz Mutalibov to take steps regarding the illegal actions by the head of the government of Nakhichevan republic in seizing railway cars containing goods for Armenia.

The Nakhichevan Autonomous Republic is a part of Azerbaijan. The railway line between Armenia and Iran lies on its territory.

The USSR Ministry of Railways reports that starting in September, the prime minister of Nakhichevan Autonomous Republic, Bedzhan Farzaliyev, issued a number of instructions on decoupling from trains cars with goods for Armenia. It has also been ordered that these goods are to be unloaded and sold inside the Nakhichevan republic. As a result of these contradictory actions, in September alone, at the stations of Nakhichevan, Dzhulfa, and Ordubad on the Azerbaijan line, more than 60 cars and 40 containers were seized. Their contents—building materials, gasoline, industrial equipment, and foodstuffs which are awaited in Armenia have also been sold in other regions.

Further Reportage on NKAO Developments

Group Appeals to Gorbachev, Yeltsin

LD0611165391 Moscow TASS International Service in Russian 1530 GMT 6 Nov 91

[By correspondent Vadim Byrkin]

[Text] Stepanakert, 6 Nov (TASS)—The Nagorno-Karabakh executive committee appealed today to the USSR, Russian, and Kazakh presidents to adopt urgent measures to prevent the tragic development of events and bloodshed in the area. The executive committee's telegram circulated by the Karabakh news agency lists the reasons for the appeal. These include the accumulation in recent days of new armed groupings in the Azerbaijani settlements of Nagorno-Karabakh and the neighboring Azerbaijani areas, aggressive speeches and appeals by the republic's senior officials in parliament and the mass media, and the increasing economic and transport blockade. All this gives reason to assert, the telegram says, that "large-scale armed actions against the Armenian population of Nagorno-Karabakh are imminent".

OMON Steps Up Presence

OW0611235191 Moscow INTERFAX in English 2042 GMT 6 nov 91

[Transmitted via KYODO]

[Text] The presence of Azerbaijani OMON (riot police) [special purpose militia detachment] is increasingly felt in Nagorno-Karabakh and adjacent regions of Azerbaijan. A correspondent of the Armenian news agency NORUTYUN SERVICE has been told at the Karabakh regional council that field hospitals were being arranged in the Azerbaijani areas of Nagorno-Karabakh.

In a telegramme sent Nov 6 to the USSR, RSFSR [Russian Soviet Federated Socialist Republic], and Kazakh presidents, the council warns that large Azerbaijani forces in Nagorno-Karabakh and adjacent regions, also the aggressive language at the last session of Azerbaijan's Supreme Soviet and pronouncements by high officials in Mas media "give us reason to expect a large-scale armed action against the Armenian population of Nagorno-Karabakh".

Meanwhile leaflets were spread in Stepanakert signed "fighters for Karabakh's freedom". They say that no peace will be given to Azerbaijani villages until the Gadrut and the Marutni districts of Nagorno-Karabakh are liberated, as well as the Shaumyan district of Azerbaijan now forming part of the Geranboy district.

'Stable' Despite Troop Buildup

PM0711103591 Moscow IZVESTIYA in Russian 6 Nov 91 Union Edition p 1

[Unattributed report from the "IZVESTIYA, TASS, INTERFAX, REUTERS" roundup]

[Text] According to reports from the Nagorno-Karabakh Autonomous Oblast [NKAO], Azerbaijani special purpose militia detachment [OMON] subunits are concentrated on the approaches to certain Armenian-populated villages.

Some 200 armed OMON men have been deployed in both Dzhebrailskiy and Fizulinskiy Rayons, and another 50 men have arrived and taken up positions in the NKAO's Martuninskiy Rayon. The force buildup is continuing, but the situation in the oblast as a whole over the past few days remains relatively stable.

Removal of Ministry Troops Demanded

OW0611235091 Moscow INTERFAX in English 2042 GMT 6 Nov 91

[Transmitted via KYODO]

[Text] A meeting of officers under the Emergency Situation Commandant of Nagorno-Karabakh held Nov 5 found unnecessary the presence of USSR Interior Ministry troops in Nagorno-Karabakh and the adjacent regions of Azerbaijan.

In a cable addressed to the USSR and RSFSR [Russian Soviet Federated Socialist Republic] presidents and Interior Ministries, also to Russia's parliament, the meeting points out that along with stepping up terror against civilians and soldiers in Nagorno-Karabakh, the Azerbaijani authorities have been disrupting supplies of food, fuel and lubricants. Besides, the Azerbaijanian OMON [special purpose militia detachment] has been staging provocations against the Interior Ministry's forces. Last month 15 attacks were made on units and posts of Interior Troops in which six soldiers were wounded.

"We insist the Interior forces should be withdrawn from Nagorno-Karabakh", stressed the cable.

Parliament Discusses Conflict

LD0611195291 Moscow Radio Rossii Network in Russian 1200 GMT 6 Nov 91

[Text] After a week's break, the session of the Supreme Soviet of the Azerbaijani Republic resumed its work in Baku today. Because of the exacerbation of the situation in Nagorno-Karabakh and the region bordering with Armenia, some corrections were made to the agenda. According to information at the disposal of Azerbaijan deputies, 14 Azerbaijan villages in the autonomous oblast subjected to periodic bombardment are threatened with encirclement.

According to the Azerbaijani Ministry of Internal Affairs, armed groups sent onto Nagorno-Karabakh Autonomous Oblast territory from the neighboring republic are seeking to blockade them.

In the afternoon it is proposed to hear a report by the Azerbaijani minister of defense on taking adequate measures to stabilize the situation. At the same time, the situation which has emerged in a number of inhabited parts of Kazakhskiy Rayon bordering on Noyemberyanskiy Rayon of Armenia will be considered. The local press reports that in recent days, the exchange of fire from its territory has resumed, and there are dead and wounded among the Azerbaijani population.

What ought to be done, in the first instance, for a cease-fire in the conflict zone? Will the new upsurge of violence not hamper the talks of the plenipotentiary delegations of Azerbaijan and Armenia—the start to which was signalled by the Zheleznovodsk communique? It is answers to these questions that the Azerbaijani parliamentarians are to find at their session, which resumed its work today.

Further on Discussion

LD0611185191 Moscow TASS in English 1611 GMT 6 Nov 91

[By AZERINFORM correspondent Anar Kadirli—TASS]

[Text] Baku November 6 TASS—No problems will be solved, including the stabilisation of the situation in Nagorno-Karabakh, without laws to provide for security and social and economic development of Azerbaijan, republican Prime Minister Gasan Gasanov told a session of the Azerbaijanian parliament here today.

In his opinion, the Cabinet of Ministers has 25 bills, the adoption of which will enable the Republic to overcome the current crisis and consolidate its economic and political sovereignty.

He especially stressed the executive and legislative authorities are to elaborate mechanisms to put these laws into life and prevent their blocking by any side.

However, in the view of deputies, it is premature to speak about the stabilisation of political and economic life in Azerbaijan, since it is actually fighting a war against the neighbouring Armenia, and the Karabakh conflict is still on.

The parliament instructed the republican Defence Council to improve the situation that has shaped in Nagorno-Karabakh and the neighbouring areas.

Union Military Equipment, Munitions Seized

PM0611130591 Moscow KRASNAYA ZVEZDA in Russian 5 Nov 91 First Edition p 1

[Major P. Alekseyev report under "Direct Line" rubric: "How Weapons Are Being 'Privatized'"]

[Text] Baku, 4 Nov—This event can without exaggeration be classified as unprecedented. Early in the morning of 2 November organs of the Azerbaijan MVD [Ministry of Internal Affairs], together with a number of civilians, detained a column of USSR MVD Internal Forces consisting of five ZIL-131 vehicles carrying ammunition and en route for Nasosnaya Airport [Sumgait] from a military unit.

The assailants blocked the road and, threatening to use their weapons, seized military equipment and the removable cargo. The seized ammunition was sent to the depots of a regiment of the Azerbaijan MVD's Patrol and Point Duty Service.

What did the military trucks contain? Hand grenades, rounds for small arms, launcher-fired projectiles, flares, and so forth—a complete arsenal. Attempts to reach agreement for the seized articles to be returned nicely to their lawful owner have, alas, come to nothing. Negotiations between responsible comrades from the Union MVD and the republic leadership are also yielding no results.

It is no secret that relations between the Azerbaijan MVD and the Internal Forces were already strained, to put it mildly. Many times Internal Forces personnel have been the object of "accidental" attacks by the Azerbaijan OMON [special purpose militia detachment]. But news of these incidents was not widely disseminated at the time, and they were represented as unfortunate misunderstandings. Will states of emergency now be written off as misunderstandings?

KGB Transformed Into Ministry

LD0611142791 Moscow TASS International Service in Russian 1350 GMT 6 Nov 91

[By Azerinform correspondent Viktor Shulman]

[Text] Baku, 6 Nov (TASS)—A law on transforming the republic KGB into the Ministry of National Security has been adopted in Azerbaijan.

This department has been removed from the Cabinet of Ministers and is henceforth directly subordinate to the president of the Republic of Azerbaijan. According to a report published in the local media today, the president is to submit a draft law on the republic's national security bodies for consideration by the Supreme Soviet session.

Georgia

Compensation Sought in South Ossetia Conflict

LD0711141191 Moscow TASS International Service in Russian 1228 GMT 7 Nov 91

[By SAKINFORM-TASS correspondent Eduard Ediberidze]

[Text] Tbilisi, 7 Nov (TASS)—Insofar as the conflict in South Ossetia is taking place on the territory of the Republic of Georgia and troops of the USSR cooperating with Ossetian extremists are involved directly in it, the USSR Government is fully responsible for compensating all of the material losses caused to Georgia. This is stated in a statement from the Presidium of the Supreme Soviet of the Republic of Georgia published here today. The statement protests the claims made against Georgia by the Supreme Soviet of the Russian Soviet Federated Socialist Republic [RSFSR] and the Russian Congress of Peoples Deputies.

The document says that the reports given by the chairman of the Soviet of Nationalities of the RSFSR Supreme Soviet about there being 100,000 Ossetian refugees from Georgia in North Ossetia are absolutely false.

The additional monetary resources which the leadership of North Ossetia is seeking by speculating on the calamitous position of people—and the RSFSR Supreme Soviet justifies the allocation—will go toward extending military aid to the Ossetian extremists and toward an escalation of combat operations in Georgia, the statement stresses. This is regarded as complicity on the part of the Russian parliament in aggressive actions against the independent Republic of Georgia.

President's Office Criticizes Soviet Media

LD0711121791 Moscow Radio Rossii Network in Russian 1100 GMT 7 Nov 91

[Text] TASS has received from the press service of the president of the Republic of Georgia a communication which says, in part:

Recently, the Soviet press and central television have been reporting virtually every day that the town of Tskhinvali and Kornisskiy—formerly Znaurskiy—Rayon were supposedly under artillery and missile fire every night. As Colonel (Epitashvili), the representative of the president of the Republic of Georgia in South Ossetia said, since 18 October mass firing and bloodshed have ceased in the region. Effective measures are being implemented in conjunction with subunits of the USSR

Ministry of Internal Affairs Internal Troops to ensure the security of both the Georgian and Ossetian peoples.

Official on Refusal To Sign Economic Treaty

LD0611234591 Moscow TASS in English 1422 GMT 6 Nov 91

[Text] Tbilisi November 6 TASS—"Georgia has refused to sign the Economic Community Treaty primarily because the USSR has still not recognised its independence," deputy head of the chief foreign economic relations department under the Georgian Foreign Ministry Alexander Mostov-Urashidze told TASS. "This is why Georgia," he said, "does not deem it possible to join a treaty, the first article of which begins, as a matter of fact, with the words 'independent state'".

"We are deeply convinced," Mostov-Urashidze said, "that no genuine sovereignty is possible without a national monetary unit, bank system, customs, army, foreign and domestic policies".

According to Mostov-Urashidze, it is not the republic that is trying to self-isolate itself, but the centre that is endeavouring to isolate the republic from the rest of the country. In fact, he accused the central authorities of sabotaging railway deliveries of raw materials and other goods to Georgia, thereby torpedoing Georgia's agreements with other republics.

Mostov-Urashidze said the republic's share in the total Soviet foreign debt amounted to 1.6 per cent, that is to about 700 million U.S. dollars. But since the USSR has missed the time to share the Soviet gold and diamond reserves, as well as Soviet real estate abroad, Georgia, just as some other republics of the former Union, has declared that the repayment of her share would be possible only after these assets are shared among the republics.

However, according to Mostov-Urashidze, Georgia has signed a memorandum on the repayment of the debt to foreign creditors of the USSR and its legal successors.

Foreign Debt Calculated at $700 Million

LD0611174591 Moscow TASS International Service in Russian 0516 GMT 6 Nov 91

[Text] Tbilisi, 6 Nov (TASS)—Georgia's foreign debt is about $700 million. The TASS corrspondent was told this by Aleksandr Mostovoy-Urushadze, deputy head of the Main Administration for Foreign Economic Ties of the Republic's Ministry of Foreign Affairs.

This figure was reached as a result of special calculations, he noted. The debt was viewed under four headings: the republic's share of USSR exports and imports, generation of national income, and size of population.

A. Mostovoy-Urushadze emphasized that Georgia will pay its share of the USSR's debt to foreign countries only after the country's gold and diamond reserves and the USSR's property abroad are divided up.

Law on Political Associations Suspended

LD0611233991 Moscow TASS in English 1418 GMT 6 Nov 91

[By correspondent Albert Kochetkov]

[Text] Tbilisi November 6 TASS—The Georgian parliament on Wednesday [6 November] approved an appeal of the republican public prosecutor to temporarily suspend the law on political associations of citizens, which it adopted on August 10.

The decision poses a serious threat for democratic processes in the republic.

Parliamentary factions representing the minority in the republican legislature did not participate in voting.

Kazakhstan

Role for Republics in Foreign Policy Viewed

LD0511165991 Moscow TASS International Service in Russian 0245 GMT 5 Nov 91

[By TASS correspondent Yevgeniy Menkes]

[Text] United Nations, 5 Nov (TASS)—The Council of Ministers of Foreign Affairs of the former Soviet republics can and must work significantly more effectively, Saylau Batyrsha-Uly, deputy minister of foreign affairs of the Kazakh Republic, stated in a conversation with a TASS correspondent. Since this body was formed, its sittings have been held irregularly. I intended speaking at a sitting of the collegium of the USSR Ministry of Foreign Affairs at the beginning of the year but one of the USSR deputy ministers of foreign affairs at the time reacted in a negative fashion.

On the whole, in previous times republican ministries of foreign affairs essentially had little say in elaborating USSR foreign policy, S. Batyrsha-Uly continued. He expressed regret about the absence of permanent quotas for diplomats from the republics in Soviet embassies abroad. A year ago we were promised that the situation would change. A resolution was adopted by the collegium of the USSR Ministry of Foreign Affairs on recruiting personnel from the republics. This resolution has still not been implemented.

The republics are now striving to attain their own sovereignty and, in particular, to achieve much greater independence in international affairs. Moreover, at the recent Congress of USSR People's Deputies it was decided to support the aspirations of the republics to join the United Nations and to become persons of international law, enjoying full rights. This is, of course, a complex problem. In the opinion of the representatives of the republics, the central apparatus of the USSR Ministry of Foreign Affairs could more actively implement the decisions of the congress. In the material being received in Alma-Ata from Moscow, the basic stress is placed—in the main—on the difficulties which lie on the path toward the republics joining the United Nations. We are trying to draw the attention of the community of nations to the positive aspects of this process.

I was recently in Washington, where meetings with high-ranking officials of the U.S. State Department took place, S. Batyrsha-Uly continued. In particular, the matter of the opinion of U.S. Government on the problem of the sovereign republics joining the United Nations was touched upon. The U.S. side stated that the United States does not reject this idea, however it considers thorough study of it to be necessary. Are the sovereign republics prepared to fulfill all of the rights and obligations of UN members? This question was asked—and fairly—by representatives of the State Department. The U.S. side evaluated the recent decision by the USSR Congress of People's Deputies on support for the republics joining the United Nations as a declaration. This should now be consolidated in a legislative fashion, in the text of the Union treaty, it stated. In its opinion, this treaty should also state that each sovereign republic is a person of international law.

Kyrgyzstan

TRUD Interviews President Akayev in Washington

92US0092A Moscow TRUD in Russian 1 Nov 91 p 3

["Pulse of the Planet" interview with Askar Akayev, president of the Republic of Kyrgyzstan, by TRUD correspondent V. Sisnev in Washington, date not given: "The Peoples Do Not Quarrel; They Are Set Against One Another"]

[Text] Washington—We met with Askar Akayev, president of the Republic of Kyrgyzstan, about one and a half hours after his visit to the White House, and after he had responded to journalists' questions concerning the content and results of his conversation with President Bush. Incidentally, it was a pleasure to hear how magnificently he uses the literary Russian language, structures his speech precisely and vividly, and quotes by heart those who are usually referred to here as the founding fathers of American democracy. He replied to the sharpest questions softly, trying not to offend anyone, but also stating his principled position without apprehension. A Turkish correspondent asked him a "trick" question: What if, during his forthcoming visit to Istanbul, it is proposed that he form a certain Muslim confederation together with Turkey and some other countries? President Akayev said calmly that Kyrgyzstan is establishing the most extensive cooperation possible with that country, but that he would never agree to blocs of states based on the principle of religion.

My first question to him was "immodest:"

[Sisnev] Do you get to hold TRUD in your hands?

[Akayev] Of course! In general, I prefer to read newspapers myself rather than rely on reviews compiled by aides. This takes more time, but it is necessary for me in order to feel the real pulse of both my republic and the entire Union. I believe that TRUD is one of the best newspapers.

[Sisnev] Thank you. Now let us get to the point. Will your visit to the United States have any consequences as far as social protection for the working people of the republic is concerned?

[Akayev] One of our goals is to establish relations with representatives of the very extensive business community. We have asked them for cooperation in creating in our republic hundreds and thousands of small enterprises for processing agricultural products, producing consumer goods, and so on. Tens of thousands of new jobs will be generated in this manner.

[Sisnev] Is unemployment an acute issue in Kyrgyzstan?

[Akayev] We have had unemployment before: Demographic growth has far out paced economic growth. Presently, there is no economic growth. A decline is under way, whereas population growth has turned into a demographic explosion. This "gap" is widening with every passing day. This is why one of our principal tasks is to stimulate growth in the number of jobs. We also need to afford social protection to our intelligentsia—teachers, doctors, employees of cultural establishments, and students because this is the least protected category in the environment of a market economy. We are now developing a program of social protection for these particular strata rather than everybody in general because we will not be able to protect all. However, we will protect exactly those who particularly need it. We have proclaimed the following slogan: Freedom to the strong and enterprising, and social protection for the weak, for those who are not adapted to the new conditions of life. The program will be submitted to the fall session of parliament. In particular, we have developed a youth policy and a program of social protection for young people.

[Sisnev] What is your personal attitude toward the institution of trade unions?

[Akayev] Favorable. I believe that this is a public force which has an especially important role to play under current conditions.

[Sisnev] Have they indeed become a public force in your republic, or are they still an accessory of the old system?

[Akayev] So far, we have been dissatisfied with the restructuring of trade union operations currently under way. We want this process to proceed more dynamically. Unfortunately, the old, traditional style of work still dominates.

[Sisnev] Do you have personal contacts with trade unions?

[Akayev] Yes, continuously. The Council for Public Policy Consultations, of which the chairman of the Free Trade Unions of the republic is a member, has been established under the president.

[Sisnev] You do read the newspapers personally. But how do you learn about the needs of the people to whom you intend to offer social protection—firsthand or through intermediaries? In what manner can the president of the republic directly feel the pain of the most disenfranchised strata?

[Akayev] The council which I have mentioned has been set up in such a way as to have a direct feel for the life of the republic. Representatives of young people, the working class, the peasantry, and students belong to it....

[Sisnev] Are they real people, or do they "hand pick" for you those who will say what you want to hear?

[Akayev] Oh no. For the most part, these are real people. For example, our Peasant Union was formed on the initiative of a new breed of people, proprietors who started farmer-operated farms and elected as their chairman a person who is continuously in opposition to me. We frequently argue about the issues of implementing land reform, and he furiously defends the interests of those who have empowered him. Also, the Union of Entrepreneurs was set up in our republic; its genuine active leader also came to the council. Unfortunately, the leaders of young people are indeed such only pro forma. However, the old practice—we select a leader for you, and you vote in favor of him—no longer exists. We expect the young people of Kyrgyzstan to set up their own genuine organization after all and to produce its genuine leaders.

[Sisnev] Does an antagonism exist in the republic regarding the Russian population?

[Akayev] I must tell you frankly that it did exist. However, we are trying to eliminate interethnic antagonisms altogether, no matter whom it affects. It seems to me that our efforts have already borne first fruits. In the spring, we adopted the Land Code. A number of members of parliament succeeded in passing an article which proclaimed that land is the exclusive property of only the Kyrgyz people. Of course, this could not but alarm the Russians and other minorities living in Kyrgyzstan. I vetoed this article and was forced to fight battles in the parliament on three occasions. Ultimately, we succeeded in passing wording which does not infringe on anybody. presently, the land of Kyrgyzstan is the asset of all who reside there and are citizens of our republic. We have already taken the next step: We have developed and submitted to the parliament for consideration a draft law on the protection of the rights of ethnic minorities in Kyrgyzstan. The Slavic National Cultural Center, with which I work continuously, has been set up. The president of the center is a member of our Council for Public Policy Consultations. I cannot say that we have eliminated all tensions; this requires the mutual good will of both the leadership of the republic and the ethnic communities. However, ethnic migration in our republic has virtually ceased recently.

[Sisnev] What can you say about relations with Russia?

[Akayev] We have wonderful relations with Russia in general and with President Yeltsin. He paid his first official visit specifically to our republic. We signed a treaty which, I must note, has been responsibly complied with by both by us and Russia, for which I am grateful to Boris Nikolayevich. This also eliminates or, at any rate, alleviates interethnic friction somehow.

[Sisnev] I recall that in one of your presentations, you said that peoples do not quarrel themselves but are always malevolently set against one another. Does this apply to the Osh tragedy?

[Akayev] Definitely. There were elements of local significance in the Osh tragedy, but in principle it was provoked. Now, after the August events, we are in possession of documents which confirm that the parties guilty for it were on Staraya Square and on Dzerzhinskiy Square.

[Sisnev] Are you satisfied with your visit to the United States?

[Akayev] I am more than just satisfied. First, we held the Days of Kyrgyzstan at the United Nations. I had an opportunity to make a report in the prestigious forum of this organization and met with its secretariat. Important contacts were established with business circles in New York and Washington. Incidentally, I met with two billionaires, Rockefeller and Greenberg. We had meetings with prominent bankers and heads of a number of law firms. We tried to get them interested, I would say, to lure them to our republic. This was all crowned by a conversation with President Bush, Secretary of State Baker, and Assistant to the President for National Security Affairs Scowcroft. We had enough time, and I informed them in detail about processes under way in our republic and our vision of the structure of the new Union. We came to a mutual understanding on many points, and were given assurances that the United States would provide specific aid to us in training the cadres of managers and lawyers with a modern outlook, and so on. In a word, we are very satisfied by the visit.

Locally Produced Goods Find Ready Market

PM0711161391 Moscow Central Television Vostok Program and Orbita Networks in Russian 1630 GMT 5 Nov 91

[From the "TV Inform" newscast: Report by G. Klimov and S. Gelbakh]

[Text] [Klimov] In the Gissarskiy valley of Tajikistan as in other regions of the republic the problem of unemployment is already confronting school graduates. Work on cotton plantations is seasonal, and so when the Rayon Union of Consumer Trade Cooperatives announced that it was recruiting students for sewing and knitting courses, applicants were quickly found. Here they are—after their training—at the workplace.

[M.M. Bobzhonov, Trade Cooperative Union chairman] There are 40 local girls working here, and their average monthly wage for this is 250-300 rubles. In just nine months of 1991, they produced something in the region of 250,000 rubles' worth of consumer goods, earning around 25,000 rubles in profit as a result.

[Klimov] Let's take a look at the stores in the self-same Gissarskiy Rayon. Perhaps there is nothing astounding here, but goods are somewhat more abundant than in neighboring rayons. These are knitted and sewn garments from the new workshops. Here are other locally produced goods. One in five rubles in the overall sales turnover goes to purchase these goods. [Turning again to Bobzhonov] In general, you are solving many tasks all at the same time—saturating the market with goods, providing employment for the population, and many others perhaps.

[Bobzhonov] Nowadays it is the only way to work. Now we have to draw additional resources, which we do in fact have here in our rayon, into commodity circulation.

[Klimov] Other Gissarskiy production cooperatives are also showing profits. Here they are making jam—at the moment, they are making quince jam. And this is a new workshop for nonalcoholic drinks—the rayon's problems on this score have been solved. And here (?linseed) oil is being made from the flax—there is a constant demand for it. And this is a miniature grinder, but they say that its flour is finer—it doesn't stick and there are no lumps.

People are offered both goods and services. The results are obvious. This is how we should work.

Uzbekistan

Bilateral Accord Signed With Belorussia

OW0611124591 Moscow INTERFAX in English 1115 GMT 6 Nov 91

[Transmitted via KYODO]

[Text] An agreement on the principles of intergovernmental relations between Uzbekistan and Belorussia was signed in Tashkent on Wednesday [6 November] by the Uzbek President Islan Karimov and the head of the Belorussian Supreme Soviet Stanislav Shushkevich.

The document has a 10-year duration and is subject to ratification.

Under it, the two sides recognize each other as sovereign states willing to promote and strengthen friendship and mutually beneficial cooperation in the political, economic, trade, scientific, technical, cultural, other spheres on the basis of equality, non-interference in each other's affairs, and non-use of force against each other.

The agreement provides for Uzbekistan-Belorussian cooperation in foreign policy and foreign economic relations, and for their joint efforts to create a common economic space.

Wednesday also saw the signing of an agreement on trade and economic cooperation between the governments of Uzbekistan and Belorussia.